

BLACK HAWK COUNTY, IOWA
Comprehensive Annual Financial Report
Year Ended June 30, 2013

Prepared by:
James W. Bronner, Finance Director
Board of Supervisors Office

Grant Veeder
Auditor and Staff

Rita Schmidt
Treasurer and Staff

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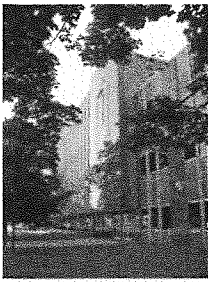
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Black Hawk County Board of Supervisors

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James W. Bronner
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Debi Bungler
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Marge Budensiek
Administrative Aide

December 20, 2013

Board of Supervisors and Citizens
Black Hawk County, Iowa

The Comprehensive Annual Financial Report (CAFR) for Black Hawk County, Iowa for the fiscal year ended June 30, 2013 is hereby submitted.

Each year the County publishes a complete set of audited financial statements as part of an annual single audit to conform to the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations". The County assumes full responsibility for the completeness and reliability of the information contained in this report. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams & Company, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Black Hawk County financial statements for the year ended June 30, 2013. This independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Black Hawk County

The first government of Black Hawk County, Iowa was organized August 17, 1853. It is located in the northeast part of the state. The county currently occupies 576 square miles and is the 5th most populous county in the state. The 2010 census population of 131,090 is up 2.4% from the 2000 census figure of 128,012. Population estimates show slight increases for Black Hawk County going forward. Black Hawk County is empowered to levy a property tax on both real and personal property located within its boundaries.

Black Hawk County currently operates under a five-member Board of Supervisors. Each member is elected at large to a four-year term. The Board of Supervisors is the legislative authority over Black Hawk County. Annually, the Board adopts a budget and establishes tax rates to support County programs. Also elected to four-year terms at large are the following officials: Attorney, Auditor, Recorder, Sheriff, and Treasurer. These officials, along with department heads appointed by the Board, are responsible to administer the programs and policies adopted by the Board of Supervisors as well as the budget amount allocated to their department by the Board.

Black Hawk County provides a full range of services. These services include public safety and legal services, physical health and social services, mental health and developmental disabilities services, county environment and education, construction and maintenance of secondary roads, general administrative services and planning and zoning.

Black Hawk County is required by the State of Iowa to adopt an annual budget for the total operating expenditures of the County by function area. This is the foundation of financial planning and control for the County. The budget is prepared by fund (e.g., general, special revenue, debt), function (e.g. public safety), and department (e.g. Sheriff, Conservation). Departments can transfer resources within a department as they see fit. Transfers between departments, however, need special approval for the Board of Supervisors in the form of an amendment to the budget.

Local Economy

Black Hawk County is the fifth largest county in population in the State of Iowa. The cities of Cedar Falls and Waterloo make up just over 80% of the population with the remainder living in smaller towns, each are under 2,500 in population, and on farms.

Population since the 2000 Census figure of 128,012 had been declining slightly. Recent estimates had shown a slight increase the past few years with the 2010 population now at 131,090. At the start of fiscal year 2010, the unemployment rate averaged between 5% and 6% until October of that year when the economy worsened and the unemployment rate reached a high of 7.9%. Since that time, the rate has been gradually falling to 6.7% in January 2011 to 6.1% in January 2012. The rate fluctuated between 5% and 6% for most of the year decreasing to 5.4% at the end of 2012. The most recent unemployment trend in the first half of 2013 has been a decline to 4.9% for both June and July. The recent report for October 2013 shows an additional decline in unemployment for the County to 4.1%. Projections show this rate to be fairly stable until the end of the calendar year 2013.

The major industries located within the County's boundaries and the primary employers from each are as follows: Farm tractor and component manufacturing – John Deere, Health care – Covenant Medical Center and Allen Memorial Hospital, Pork processing – Tyson Foods, Bath and kitchen cabinet manufacturing – Omega Cabinets Limited and Bertch Cabinets, Retail and financial service providers – Hy-Vee, Target distribution, and Wal-Mart, and Entertainment – Isle of Capri Casino.

Recently, several businesses have announced record earnings, plans for expansion, or the construction of a new business in the County. This should help overall employment within the County and provide additional capital investment as well.

Deere and Company, the largest employer in the county, recently achieved a 13th straight quarterly record. Early predictions are for another record year. Quarterly earnings were just under \$1 billion while besting the prior year record 3rd quarter by over \$200 million. The year-to-date earnings are currently over \$350 million ahead of the 2012 figures. Waterloo operations again played a key role in the earnings record fueled by a continually strong farm economy. Current employment of 6,000 workers is the highest labor total for the Waterloo operations in 20 years. More than \$1 billion had been invested in the Waterloo plant during that time period.

The Cedar Valley Sportsplex is nearing completion on the \$23 million facility. The facility will cover 127,300 square feet when completed and will include a gymnasium with basketball courts, a walking / running track, weight-lifting and cardio areas, and indoor soccer fields, along with other amenities. An additional recreational pool is also scheduled at the facility with construction for that phase beginning after completion of the initial building. The facility is scheduled to open in January 2014. Private funds were utilized for the majority of the funding.

Construction continues on the first of numerous phases to complete the River Place project on the Cedar River in Cedar Falls. The project had been discussed and planned for a number of years and with new developers, it has now officially begun. The project will have an estimated cost of approximately \$40 million to \$60 million once completed. The plans call for a three to five year time frame for all phases to be finished. The initial phase will include two residences with 21 two-bedroom loft inspired living spaces in each, which should be ready for occupancy in August of next year. Additionally, the site will have four more residential and mixed-use buildings, a hotel, an event center and a Western Home active lifestyle residence named Mill Race. Mill Race will consist of 48 to 64 townhouses and flat-style residences. The Western Home project will total approximately \$15 million to \$20 million when completed.

CBE Cos. recently announced the hiring of 400 new employees over the next 12 to 18 months. The 80 year old company expects 200 of those jobs to be filled in the next 90 days. Additional contracts have allowed for the growth and expansion to occur, and the company will be looking for additional office space to house the new employees as well. In the last decade, CBE Cos. has more than doubled the size of its workforce as a \$4.6 million expansion resulted in 400 new jobs in 2004 which brought the company to a total employment number of 750 people. The overall economic impact of the expansion is estimated at \$18 million.

During the past ten years, the County's total expenses including debt and capital projects have increased just over 1% overall. Significant increases in County Environment and Education along with Public Safety and Legal Services were offset almost entirely due to a \$13.3 million reduction in the Mental Health service area as the Country View facility was placed into a separate non-budgetary fund in fiscal year 2011. The increases are primarily due to Jumpstart funds passing through the County to other counties for flood reimbursement along with economic development. Other factors include additional salaries and benefits for some of the larger departments in the County. Debt services have also increased over the last ten years as the County continues to pay back bonds for numerous road and bridge repair and reconstruction projects.

For the same ten year period, the County's total revenue has increased by 2.4%. Some areas have had very significant percentage increases such as the Miscellaneous Revenue category due to increased fine collections along with the Licenses and Permits area at just under 80% and 41% respectively, although the Licenses and Permits dollar increase was only \$146,000 compare to the \$878,000 increase in the Miscellaneous category. Intergovernmental revenue decreased 33.7% or \$8 million primarily due to moving the Country View Care Facility into a non-budgetary enterprise fund. This decrease offsets an increase of \$8.2 million in Property and Other County Tax of the last ten years.

Long-Term Financial Planning

The unassigned general fund balance for Black Hawk County is at 26.4 percent of the total general fund expenditures. The fiscal year 2013 percentage figure is just above the 15-25% preferred range for Black Hawk County. The total combined general fund balance (restricted, committed, and unassigned) is at 39.5% of total general fund expenditures. Black Hawk County will continue to diligently manage the unassigned fund balance to maintain the preferred range of fund balance to expenditures.

The County's secondary road system is also being continually reviewed. An aggressive multi-year plan to address deteriorating roads and bridges across the County was developed and implemented in early fiscal year 2009. Prior to the implementation of the plan, a special election for the rural residents of the County was held by the Board of Supervisors to change the Local Option Sales Tax (LOST) usage to help fund the road plan. The vote passed and changed the usage of the Local Option Sales Tax funds from 100% of the funds going for property tax relief to reallocating half of the amount towards road construction and the other half remaining for

property tax relief. As the initial plan will be basically completed once the remaining projects from fiscal year 2012 are finished by then end of the calendar year, a new multi-year plan is being assessed and developed for potential secondary road needs in future years.

Black Hawk County continues to follow the twenty-year plan that was created in the fall of 2008 and was recently updated this fall with the assistance of the Institute for Decision Making at the University of Northern Iowa. As the next three to five year plans for each department are reviewed, they will continue to be implemented into the budget for each fiscal year going forward.

Relevant Financial Policies

Black Hawk County has designated a portion of its fund balance for tax stabilization and to offset termination of benefit payments. Part of this balance is to offset increases in the debt service tax rate if it hits the pre-determined threshold, with the remaining designated balance used to offset unanticipated, unbudgeted retirement payouts that may occur throughout the year and can not be offset through the normal budget amendment process. The estimated total liability for the retirement payouts is under one million dollars. The sale of County owned farm land in past years has provided enough funding to offset this liability. Black Hawk County also recently approved a series of financial policies to help outline the goals and guidelines that the County operates the budget within.

Major Initiatives

There are four large highway bridges and two large nature trail bridges throughout Black Hawk County that span the Cedar River. Each has been in need of repair or replacement in the past few years. Two of the highway bridges were replaced in 2002 and 2008 respectively. The third highway bridge replacement project involving a pair of bridges was recently finished in October 2012. It was the single most costly project in recent Black Hawk County history at just over \$7 million. The fourth and final highway bridge is scheduled to be replaced in the next five to seven years with an estimated cost of \$3.83 million.

Flooding that occurred in the County during the summer of 2008 closed and damaged both of the nature trail bridges beyond repair. Engineering studies were completed outlining the costs of replacement or potential repair of each bridge. One of the bridges qualified for FEMA funding to be completely replaced. Construction started in the spring of 2010 and finished in July 2011. The second bridge was funded through State Recreation Trail grants and Community Development Block Grant funds and was finished in December of 2012 reconnecting the 50+ mile nature trail from northern Black Hawk County to southern Linn County.

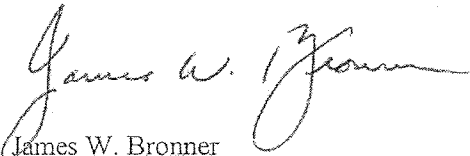
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Black Hawk County, IA for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the eighth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank all of the County employees and other individuals that assisted in the preparation of the Comprehensive Annual Financial Report. Most notably, I would like to thank the entire staffs of both the Auditor's Office and Treasurer's Office. The completion of this report could not have been accomplished without their efficient and dedicated service. The excellent service provided by the County's independent auditors, Williams & Company, P.C. is also greatly appreciated. Finally, I would like to thank the Board of Supervisors for their leadership and support without which preparation of this report would not have been possible.

Respectfully submitted,



James W. Bronner
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Black Hawk County
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

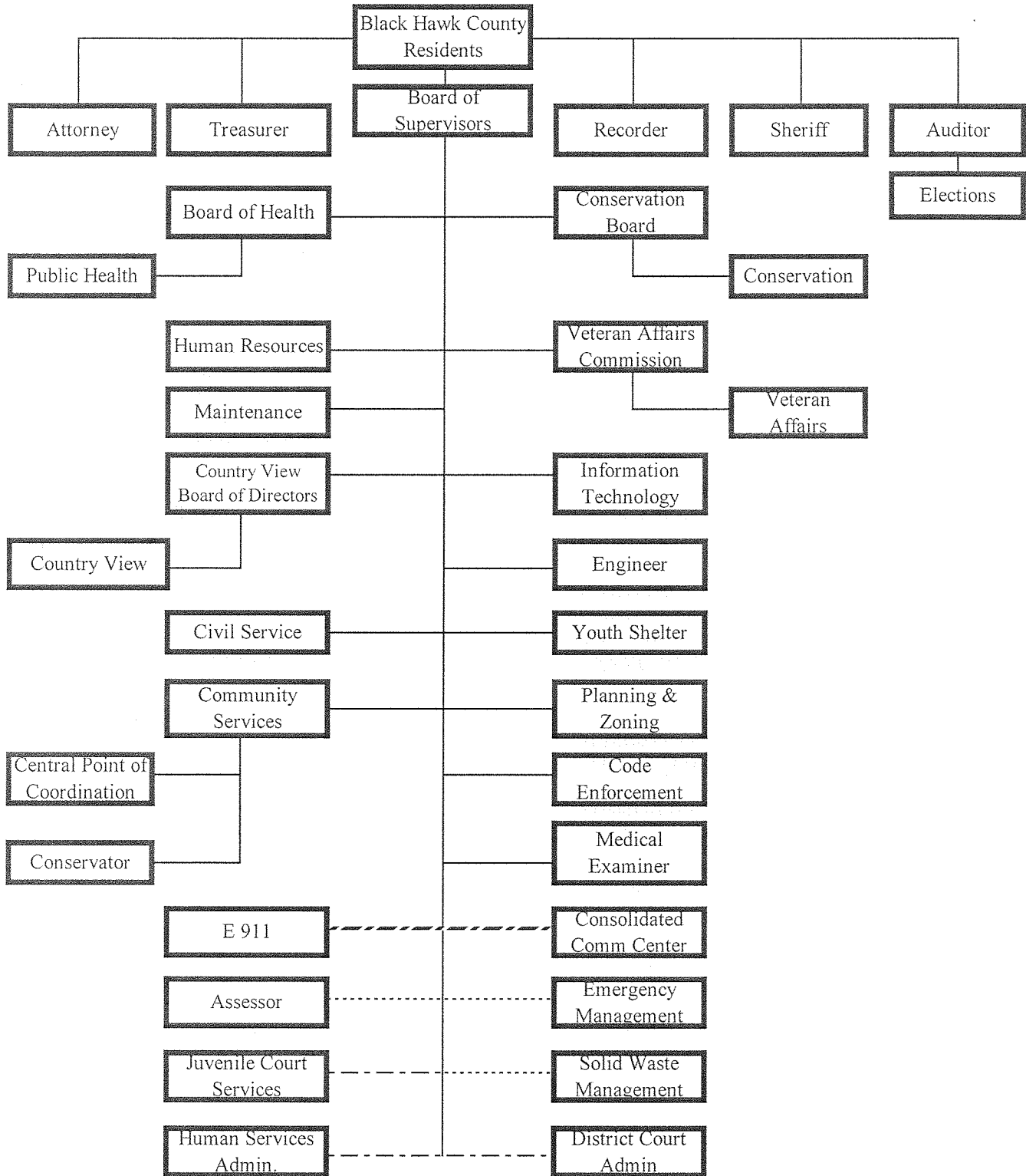
June 30, 2012

Executive Director/CEO

BLACK HAWK COUNTY OFFICIALS

<u>Official Title</u>	<u>Official</u>	<u>Term Expiration Date of Elected Officials</u>
Elected Officials		
Board of Supervisors, Chairperson	Frank Magsamen	2015
Board of Supervisors, Chair Pro Tempore	Craig White	2015
Board of Supervisors	Linda L. Laylin	2017
Board of Supervisors	Tom Little	2017
Board of Supervisors	John Miller	2017
County Attorney	Thomas Ferguson	2015
County Auditor	Grant Veeder	2017
County Recorder	Judy McCarthy	2015
County Sheriff	Tony Thompson	2017
County Treasurer	Rita M. Schmidt	2015
Associate Officials		
County Assessor	Tami McFarland	2015
Department Heads and Administration		
Community Services Director /		
Central Point of Coordination Administrator	Robert Lincoln	
Conservation Executive Director	Vern Fish	
Country View Administrator	Gregg Hanson	
County Buildings Superintendent	Rory Geving	
County Engineer	Catherine Nicholas	
County Planning & Zoning	Shane Graham	
Human Resources Director	Jerald R. Clyde	
Information Technology Director	Kim Veeder	
Public Health Director	Bruce Meisinger	
Veteran Affairs Director	Bennie Spain	
Youth Shelter Director	Amy Landers	
County Finance Director /		
Country View Comptroller	James W. Bronner	

ORGANIZATIONAL CHART





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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Black Hawk County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County, Iowa (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County, Iowa as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

In fiscal year 2013, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress for the retiree health plan on pages 14 through 23 and 57 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The financial statements for the seven years ended June 30, 2011 (which are not presented herein) were audited by other auditors who expressed unqualified opinions on those financial statements. The introductory section, other supplementary information included on pages -- through --, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information on pages 60 through 105 and the schedule of federal awards are the responsibility of management and were derived from and relate directly to the underlying

accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the other supplementary information on pages 60 through 105 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2013, on our consideration of Black Hawk County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Black Hawk County's internal control over financial reporting and compliance.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 20, 2013

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

As management of Black Hawk County, Iowa, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Black Hawk County, Iowa (the "County") for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which is located in the Introductory Section at the front of this report.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the fiscal year ended June 30, 2013 by \$95,439,832 (net position). Of this amount, \$17,750,443 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. For the fiscal year ended June 30, 2012, assets exceeded liabilities by \$90,958,114. Of this amount, \$17,591,102 was unrestricted.
- The County's total net position increased by \$4,745,727 during the fiscal year ended June 30, 2013. Governmental activities increased \$5,031,568 and business-type activities decreased by \$285,841. For fiscal year ended June 30, 2012, total net position increased \$3,551,390. Governmental activities increased \$2,820,050 and business-type activities increased \$731,340.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$26,821,219, a decrease of \$1,199,106 in comparison with the prior year. Approximately 37.2 percent of this is unassigned fund balance which is available for spending at the County's discretion. As of the close of fiscal year June 30, 2012, governmental funds reported combined ending fund balances of \$28,020,325.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was \$9,931,736 or 26.3 percent of the total General Fund expenditures. These funds will be needed to meet expenditures until the next semi-annual property tax revenue is received. The unassigned fund balance for the General Fund as of June 30, 2012 was \$8,666,808 or 24.5 percent of total General Fund expenditures.
- The County's total debt decreased by \$2,778,264 (7 percent) during the current fiscal year. Total debt for the fiscal year June 30, 2012, decreased by \$2,032,334 (5 percent).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Black Hawk County, Iowa's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business.

The statement of net position presents information on all of Black Hawk County, Iowa's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include public safety and legal services, physical health and social services, mental health, County environment and education, road and transportation, governmental services to residents, administration and interest on long-term debt. The business-type activities of the County include the Washburn rural sewer and Washburn rural water operations and the Country View Care Facility.

The government-wide financial statements include Black Hawk County, Iowa (known as the primary government) and two blended component units: Drainage Districts and the Friends of Hartman Reserve, Inc.

The government-wide financial statements can be found on pages 24 through 26 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Black Hawk County, Iowa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements and is typically the basis used in developing the next annual budget.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

Black Hawk County, Iowa, maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. The County has elected to treat the Rural Services Fund and Secondary Roads Fund as major for public interest purposes. Data from the other seven governmental funds are combined into a single, aggregated presentation under the column heading "Nonmajor Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

The County presents budgetary information as allowed by GASB Statement No. 41. The County adopts an annual appropriated budget for all governmental funds. Formal and legal budgetary control as required by state statute is based upon nine major classes of expenditures known as functions, not by fund or fund type.

The basic governmental fund financial statements can be found on pages 27 through 32 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Washburn rural sewer system, the Washburn rural water system and the Country View Care Facility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Black Hawk County, Iowa utilizes three internal service funds to account for its health insurance, self-insurance and office equipment programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for all the enterprise funds as a single aggregated presentation as they are all considered nonmajor. Additionally, all internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements. Individual fund data for the enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund's financial statements can be found on pages 33 through 36 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Black Hawk County, Iowa's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund's financial statements can be found on page 37 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 38 through 56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning Black Hawk County, Iowa's budgeted amounts for fiscal year 2013. Required supplementary information can be found on pages 57 through 59 of this report.

The combining statements referred to earlier in connection with nonmajor special revenue funds, capital project funds, enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 60 through 73 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of Black Hawk County, Iowa, assets exceeded liabilities by \$95,439,832 at the close of the most recent fiscal year.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

By far the largest portion of the County's net position (67 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements other than buildings and infrastructure); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated to cover the liabilities.

Net Position of Governmental and Business-Type Activities						
	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current and Other Assets	\$ 73,899,063	\$ 70,610,842	\$ 3,884,049	\$ 4,358,777	\$ 77,783,112	\$ 74,969,619
Capital Assets	89,886,534	94,529,137	5,208,023	4,897,962	95,094,557	99,427,099
Total Assets	163,785,597	165,139,979	9,092,072	9,256,739	172,877,669	174,396,718
Long-term Liabilities	43,829,887	41,469,298	1,384,828	1,499,886	45,214,715	42,969,184
Other Liabilities	4,726,156	2,827,262	424,805	502,647	5,150,961	3,329,909
Total Liabilities	48,556,043	44,296,560	1,809,633	2,002,533	50,365,676	46,299,093
Unavailable Revenue-Future						
Property Tax	31,553,879	32,400,184	-	-	31,553,879	32,400,184
Total Deferred Inflows	31,553,879	32,400,184	-	-	31,553,879	32,400,184
Net Position:						
Net Investment in Capital						
Assets	55,310,782	58,892,665	4,600,839	4,370,375	59,911,621	63,263,040
Restricted	13,455,391	14,426,349	-	-	13,455,391	14,426,349
Unrestricted	14,909,502	15,124,220	2,681,600	2,626,223	17,591,102	17,750,443
Total Net Position	\$ 83,675,675	\$ 88,443,234	\$ 7,282,439	\$ 6,996,598	\$ 90,958,114	\$ 95,439,832

An additional portion of the County's net position (15 percent or \$14,426,349) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (19 percent or \$17,750,443) may be used to meet the County's ongoing obligations to citizens and creditors.

Net position restricted through enabling legislation consists of \$3,315,182 for debt service, \$1,984,067 for mental health, \$1,795,846 for secondary roads, \$1,841,634 for rural levy purposes, and \$4,563,572 for supplemental levy purposes and \$926,048, for various other restricted purposes, as of June 30, 2013.

At the end of the current fiscal year, Black Hawk County, Iowa is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental activities.

Governmental activities. Governmental activities increased the County's net position by \$5,031,568, as shown on the chart as follows. The 5.7 percent increase in net position of the governmental activities is primarily the result of a reduction in long-term liabilities as more debt was retired than was issued in fiscal year 2013 along with a significant increase in capital assets more than offsetting a significant decrease in current and other assets. Bond proceeds that were carried over from being issued in fiscal year 2012 were utilized and projects were completed along with capital equipment being replaced.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

Changes in Net Position of Governmental and Business-Type Activities						
	Government Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,889,121	\$ 6,899,835	\$ 12,567,677	\$ 12,190,153	\$ 19,456,798	\$ 19,089,988
Operating Grants / Contributions	10,539,342	10,324,098	-	-	10,539,342	10,324,098
Capital Grants / Contributions	3,548,186	5,065,574	-	46,168	3,548,186	5,111,742
General Revenues:						
Taxes:						
Property	31,113,136	31,835,448	-	-	31,113,136	31,835,448
State Tax Credits	864,425	996,825	-	-	864,425	996,825
Local Option Sales	2,974,608	2,809,754	-	-	2,974,608	2,809,754
Investment Earnings	341,262	390,127	1,765	1,615	343,027	391,742
Miscellaneous	1,115,864	1,100,598	79,755	78,230	1,195,619	1,178,828
Total Revenues	57,385,944	59,422,259	12,649,197	12,316,166	70,035,141	71,738,425
Expenses:						
Public Safety and Legal Services	17,614,051	18,156,232	-	-	17,614,051	18,156,232
Physical Health and Social Services	7,711,949	7,871,355	-	-	7,711,949	7,871,355
Mental Health	9,248,329	5,567,395	-	-	9,248,329	5,567,395
County Environment and Education	3,619,566	4,792,164	-	-	3,619,566	4,792,164
Roads and Transportation	8,057,683	8,997,547	-	-	8,057,683	8,997,547
Government Services to Residents	1,626,233	1,765,826	-	-	1,626,233	1,765,826
Administration	5,159,646	5,837,436	-	-	5,159,646	5,837,436
Interest on Long-Term Debt	1,518,393	1,402,736	-	-	1,518,393	1,402,736
Country View Care Facility	-	-	11,606,877	12,308,641	11,606,877	12,308,641
Washburn Water and Sewer	-	-	321,024	293,366	321,024	293,366
Total Expenses	54,555,850	54,390,691	11,927,901	12,602,007	66,483,751	66,992,698
Excess of Revenues over Expenses	2,830,094	5,031,568	721,296	(285,841)	3,551,390	4,745,727
Transfers In (Out)	(10,044)	-	10,044	-	-	-
Increase (Decrease) in Net Position	2,820,050	5,031,568	731,340	(285,841)	3,551,390	4,745,727
Net Position, Beginning	80,855,625	83,675,675	6,551,099	7,282,439	87,406,724	90,958,114
Prior Period Adjustment	-	(264,009)	-	-	-	(264,009)
Net Position, Beginning, as Restated	80,855,625	83,411,666	6,551,099	7,282,439	87,406,724	90,694,105
Net Position, Ending	\$ 83,675,675	\$ 88,443,234	\$ 7,282,439	\$ 6,996,598	\$ 90,958,114	\$ 95,439,832

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

The County experienced a 2.4% increase overall in total revenue. There were significant increases in capital grants and contributions, along with property taxes offset by lesser decreases in operating grants and contributions. The primary reason for the increased revenue in capital grants and contributions was due to increased funds in County Environment and Education for the McFarlane Park nature trail bridge replacement which totaled \$2.7million. Additionally, property tax revenue increased approximately \$722,000 primarily due to an increase in taxable assessed valuation partially offset with a decrease in property tax rates.

Miscellaneous revenues represent items that are not large enough to have an individual classification such as donations, various property rentals and other miscellaneous revenue items. This amount will fluctuate year to year given the nature of the revenues.

Public safety and legal services expenditures increased approximately \$542,000 primarily due to increased staffing costs and benefits in the Sheriff's Office, Attorney's Office and Consolidated Communications Center.

Physical health and social services increased approximately \$159,000 primarily due to salary and benefits increases in the Health Department, Youth Shelter and Community Services departments.

County environment and education increased approximately 27% or just under \$1 million primarily due to increased expenditures in funding for the construction of the McFarlane Park nature trail bridge as compared to fiscal year 2012. Additional funding for the Jumpstart program also passed through the county contributing to the increased expenditures.

Mental health functional expenses decreased by approximately \$3.7 million. The decrease is a result of the timing of expenditures in the last two fiscal years for the Mental Health service area. A payment for just over \$3 million for the second half of fiscal year 2011 was paid in early fiscal year 2012 which caused fiscal year 2011 to be understated by \$3 million compared to what was budgeted and fiscal year 2012 to be overstated by over \$3 million. Due to these previous timing issues, the expenditures in FY13 are showing over a \$3 million decrease from FY12.

Business-type activities. Business-type activities decreased the County's net assets by \$285,841.

Financial Analysis of the Government's Fund Financial Statements

As noted earlier, Black Hawk County, Iowa uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The financial reporting focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances serve as a useful measure of a government's net resources available at the end of the fiscal year.

The County's governmental funds reported combined fund balances of \$26,821,219 as of June 30, 2013. This was a decrease of \$1,199,106, or 4.3 percent, from the prior year. The majority of the decrease is from a reduction of \$3.7 million in the balance of the Capital Projects Fund that was partially offset by increases in the General Fund and Mental Health Funds. The cause of the reduction in funds is due to road construction projects being bonded for in FY12 but not beginning until FY13. Of this total combined fund balance amount, \$9,931,569 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been allocated 1) for purposes of the supplemental tax levy, 2) to fund various debt service payments and 3) for assets that will not be liquidated in the near term.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned balance of the General Fund was \$9,931,736, while total fund balance reached \$14,939,866. As a measure of the General Fund's liquidity, it is generally useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.3 percent of total General Fund expenditures, while total fund balance represents 39.5 percent of that same amount. These funds will be needed as working capital during the initial months of the new fiscal year as property tax revenue is only collected semiannually, in September and March.

The fund balance for the Black Hawk County, Iowa's General Fund increased by \$1,509,973 during fiscal year 2013. Numerous departments had revenue above what was budgeted such as the Attorney's Office with an additional \$200,000 in fine collections and the Sheriff's Office with \$245,000 in additional revenue from weapons permits and room and board funds. Additional revenue from tax sale fees for the Treasurer, the recording of documents fees from the Recorder, and computer services for Information Technology department added another \$300,000. Multiple departments also experienced less than anticipated expenditures in a number of areas such as \$229,000 from the Toledo Home and juvenile detention in the Juvenile Court Services department along with \$150,000 from Community Services for reduced expenses in multiple service based areas.

The Mental Health Fund had a fund balance of \$2,016,911, all of which is to be used for mental health functional expenditures. The fund balance increased by \$717,494 during fiscal year 2013. The increase is attributed to reduced expenditures over the County Social Services region as revenues had no significant change.

The Rural Services Fund had a fund balance of \$1,924,088, which increased \$158,621 from the prior year. The fund increase is due to higher than expected Local Option Sales Tax revenue for fiscal year 2013.

The Secondary Roads Fund had a fund balance of \$2,016,288, which decreased \$27,061 from the prior year. The primary reason for the decrease in fund balance is the fluctuation that occurs due to the timing of planned maintenance and capital projects.

The Debt Service Fund had a fund balance of \$2,019,864 all of which is restricted for the payment of debt service (i.e. payment of general obligation principal and interest). The increase in fund balance of \$59,829 was due primarily to the funds from the Local Option Sales Tax that offsets some of the debt payments being higher than anticipated for fiscal year 2012.

The Capital Projects Fund had a total fund balance of \$2,962,676. This fund balance decreased \$3,691,386 due to the timing of the bond proceeds and the related project expenditures. The bond proceeds for fiscal year 2013 projects were received in fiscal year 2012, but the project expenditures did not occur until fiscal year 2013, resulting in a significant decrease in fund balance for FY13 as the projects were completed.

Proprietary Funds. The Black Hawk County, Iowa's proprietary funds provide the same type of information found in the government-wide financial statements, except in more detail. The Country View Care Facility is the only major enterprise fund.

Budgetary Highlights

The County presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type.

Over the course of the year, Black Hawk County, Iowa amended its budget two times. The budgetary comparison schedule provides more information.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

Key changes in the budget amendments are as follows:

Expenditures increased \$8,069,367, which included:

- Approximately \$6.189 million for projects that began in fiscal year 2012, but finished in fiscal year 2013. The majority of these projects, \$6.028 million, were road and bridge projects along with \$19,642 in the E911 Fund and \$141,789 in the Capital Improvement Fund.
- Approximately \$300,000 for additional jumpstart expenditures, and \$530,000 to pay off notes and bonds prior to their maturity. Additionally \$100,517 in the Health Department for additional grant related expenditures.
- Approximately \$200,000 for items in the Sheriff's Office and Drug Court expenses along with \$100,000 for the Pinecrest cooling project. Additionally, there was \$261,255 for the purchase of a motor grader in the Engineer's Office and \$120,000 for additional Youth Shelter expenditures due to increased occupancy.

Revenues increased \$744,890 which included:

- Approximately \$300,000 increase in revenue for jumpstart funds to offset the additional expenditures.
- Approximately \$254,995 in insurance funds to replace the motor grader and \$34,378 in auction proceeds and miscellaneous revenue in the Engineer's Office.
- Approximately \$100,517 in additional revenue for the Health Department to offset additional expenditures along with \$55,000 in grant funds for the Conservation department.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$99,427,099 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, vehicles and equipment, construction-in-progress and infrastructure. The total increase in Black Hawk County, Iowa's capital assets for the current fiscal year was 4.6 percent.

	Capital Assets, Net of Applicable Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Land	\$ 5,698,535	\$ 5,785,299	\$ -	\$ -	\$ 5,698,535	\$ 5,785,299
Construction-in-Progress	8,541,277	1,006,768	-	-	8,541,277	1,006,768
Buildings	28,361,733	28,661,721	4,833,593	4,879,762	33,195,326	33,541,483
Improvements other than Buildings	1,368,737	1,368,737	96,836	96,836	1,465,573	1,465,573
Equipment and Vehicles	11,794,490	11,983,740	536,777	535,814	12,331,267	12,519,554
Infrastructure	75,888,747	91,759,396	5,420,639	5,420,639	81,309,386	97,180,035
Accumulated Depreciation	(41,786,985)	(46,036,524)	(5,679,822)	(6,035,089)	(47,466,807)	(52,071,613)
Total Capital Assets	\$ 89,866,534	\$ 94,529,137	\$ 5,208,023	\$ 4,897,962	\$ 95,074,557	\$ 99,427,099

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

Major capital asset events during the current fiscal year included the following:

- Multiple secondary road projects including the reconstruction and resurfacing of approximately 20 miles of road and the replacement or repair of 13 bridges and culverts was completed during fiscal year 2013.
- Construction was finished on the two bridges and road reconstruction on Brandon Road. The \$7 million project was completed and open to traffic in early FY13.
- New carpet was placed in the Juvenile Court Services building and the parking lot was resurfaced at the Pinecrest building.
- The park ranger residence at Hickory Hills was replaced and a safe room was constructed at the McFarlane Park campground. Additionally, the nature trail bridge over the Cedar River was replaced near McFarlane Park costing \$2.2 million.

Additional information concerning the County's capital assets can be found in Note 5 of the Notes to Basic Financial Statements on pages 41 and 42.

Long-term debt. At the close of the fiscal year ended June 30, 2013, the County had total long-term debt outstanding of \$41,404,169. Of this amount, \$39,020,000 comprises debt backed by the full faith and credit of the government and the remaining \$2,384,169 represents capital lease obligations and accrued compensated absences for the County's employees.

Table of Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
General Obligation Bonds	\$ 39,525,000	\$ 37,250,000	\$ 610,000	\$ 530,000	\$ 40,135,000	\$ 37,780,000
General Obligation Capital Notes	1,655,000	1,240,000	-	-	1,655,000	1,240,000
Capital Leases	38,855	30,591	-	-	38,855	30,591
Compensated Absences	1,798,724	1,920,653	424,994	432,925	2,223,718	2,353,578
Total	\$ 43,017,579	\$ 40,441,244	\$ 1,034,994	\$ 962,925	\$ 44,052,573	\$ 41,404,169

Additional information concerning the County's long-term debt can be found in Note 7 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

Black Hawk County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2013 budget and the tax rates charged for various County activities. County officials are sensitive to the trends of key economic factors such as the unemployment rate. At the start of fiscal year 2010, the unemployment rate averaged between 5% and 6% until October of that year when the economy worsened and the unemployment rate reached a high of 7.9%. Since that time, the rate has been gradually falling to 6.7% in January 2011 to 6.1% in January 2012. The rate fluctuated between 5% and 6% for most of the year decreasing to 5.4% at the end of 2012. The most recent unemployment trend in the first half of 2013 has been a decline to 4.9% for both June and July. The recent report for October 2013 shows an additional decline in unemployment for the County to 4.1%.

Black Hawk County, Iowa
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2013

In an ongoing effort to maintain County services with minimal increases in tax levies, the Black Hawk County Board of Supervisors has sought efficiencies, including the outsourcing of duties and reduced fund balances as well as eliminating positions. In the last ten years, the year-end combined General Fund balance (General Basic and General Supplemental) has climbed from a balance of \$4,262,756 or just over 13 percent of expenditures to a figure of \$11,007,968 in fiscal year 2008. As the economic downturn began shortly after, the fund balance decreased to a figure of \$10,239,519 by the end fiscal year 2010. During fiscal years 2011 and 2012 the fund balance steadily increased to its' largest amount since the mid-1990's. That trend continued into FY13 with the total balance ending at \$14,939,866. This amount is 39.5 percent of expenditures with the unassigned fund balance of \$9,931,736 at 26.3 percent of expenditures.

For fiscal year 2014, amounts available for appropriation are \$59.32 million. Budgeted expenditures are expected to decrease approximately \$3.53 million from fiscal year 2013 actual figures, while budgeted revenues are expected to decrease similarly at \$3.43 million. Of the expenditure decrease, the Environment and Education service area is budgeted to decrease \$4.3 million as \$3.2 million in funding for a Cedar Valley Nature Trail bridge through the Conservation Department that occurred in fiscal year 2013 will not be present in fiscal year 2014. This decrease along with decreases in Capital Projects of just over \$2 million, Roads and Transportation of \$260,000 and Debt Service of \$439,000 offset increases of \$1.78 million in Mental Health along with \$661,000 in Public Safety & Legal Services, \$1.05 million in Administration, and \$328,000 in Physical Health & Social Services. The decrease in revenues for fiscal year 2013 compared to the fiscal year 2012 actual figures is almost entirely due to a decrease of just over \$3.15 million in Intergovernmental Revenue compared to fiscal year 2013. If these estimates are realized, the County's budgetary operating balance is expected to slightly increase by the end of fiscal year 2014.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Black Hawk County, Iowa's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Black Hawk County Finance Director, James W. Bronner, by mail at 316 E. 5th Street, Waterloo, Iowa 50703, by telephone at 319.833.3003, fax 319.833.3070 or by e-mail at jbronner@co.black-hawk.ia.us.

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current Assets			
Cash and Investments	\$ 30,092,084	\$ 2,597,170	\$ 32,689,254
Restricted Cash and Investments	2,988,181	-	2,988,181
Receivables:			
Property tax:			
Delinquent	165,684	-	165,684
Succeeding year	32,400,184	-	32,400,184
Accrued Interest	7,851	-	7,851
Accounts	510,046	175,266	685,312
Interest and Penalty on Property Tax, Net	223,395	-	223,395
Notes Receivable	21,150	-	21,150
Internal Balances	92,490	(92,490)	-
Due from Other Governmental Agencies	2,313,390	1,586,033	3,899,423
Prepaid Items	46,617	-	46,617
Inventories	366,428	92,798	459,226
Total Current Assets	69,227,500	4,358,777	73,586,277
Noncurrent Assets			
Capital Lease Receivable	1,383,342	-	1,383,342
Capital Assets			
Land	5,785,299	-	5,785,299
Construction in Progress	1,006,768	-	1,006,768
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	87,737,070	4,897,962	92,635,032
Total Non Current Assets	95,912,479	4,897,962	100,810,441
Total Assets	165,139,979	9,256,739	174,396,718
LIABILITIES			
Accounts Payable	1,014,706	113,601	1,128,307
Claims Payable	989,935	-	989,935
Due to Other Governmental Agencies	227,573	7,330	234,903
Unearned Revenue	14,745	28,761	43,506
Accrued Interest Payable	104,180	1,713	105,893
Other Liabilities	-	570,760	570,760
Salaries and Benefits Payable	476,123	165,962	642,085
Total current liabilities	2,827,262	888,127	3,715,389
Noncurrent Liabilities:			
Due within one year:			
General Obligation Bonds	4,075,000	80,000	4,155,000
General Obligation Capital Loan Notes	305,000	-	305,000
Capital Leases	9,313	-	9,313
Compensated Absences	1,191,179	372,470	1,563,649
Due in more than one year:			
General Obligation Bonds	33,253,557	447,587	33,701,144
General Obligation Capital Loan Notes	935,000	-	935,000
Capital Leases	21,278	-	21,278
Compensated Absences	729,474	60,455	789,929
OPEB Liability	949,498	411,502	1,361,000
Total Noncurrent Liabilities	41,469,299	1,372,014	42,841,313
Total Liabilities	44,296,561	2,260,141	46,556,702
Deferred Inflows of Resources:			
Unavailable Revenue- Future Property Tax	32,400,184	-	32,400,184
Total Deferred Inflows of Resources	32,400,184	-	32,400,184
NET POSITION			
Net Investment in Capital Assets	58,892,665	4,370,375	63,263,040
Restricted for:			
Debt Service	3,315,182	-	3,315,182
Mental Health Purposes	1,984,067	-	1,984,067
Supplemental levy purposes	4,563,572	-	4,563,572
Secondary Roads Purposes	1,795,846	-	1,795,846
Rural Services	1,841,634	-	1,841,634
Conservation	782,061	-	782,061
Other Purposes	143,987	-	143,987
Unrestricted	15,124,220	2,626,223	17,750,443
Total Net Position	\$ 88,443,234	\$ 6,996,598	\$ 95,439,832

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

		Program Revenues
Functions/Programs	Expenses	Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 18,156,232	\$ 2,347,199
Physical health and social services	7,871,355	1,126,233
Mental health	5,567,395	37,029
County environment and education	4,792,164	674,546
Roads and transportation	8,997,547	43,123
Government services to residents	1,765,826	2,046,771
Administration	5,837,436	624,934
Interest on long-term debt	1,402,736	-
Total governmental activities	54,390,691	6,899,835
Business-Type Activities		
Rural Sewer	225,898	187,687
Rural Water	67,468	62,142
Country View Care Facility	12,308,641	11,940,324
Total Business-Type Activities	12,602,007	12,190,153
Total	\$ 66,992,698	\$ 19,089,988

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities	Business-Type Activities	Total
\$ 2,297,142	\$ -	\$ (13,511,891)	\$ -	\$ (13,511,891)
3,109,629	-	(3,635,493)	-	(3,635,493)
502,873	-	(5,027,493)	-	(5,027,493)
433,119	4,687,282	1,002,783	-	1,002,783
3,425,944	378,292	(5,150,188)	-	(5,150,188)
-	-	280,945	-	280,945
555,391	-	(4,657,111)	-	(4,657,111)
-	-	(1,402,736)	-	(1,402,736)
10,324,098	5,065,574	(32,101,184)	-	(32,101,184)
-	-	-	(38,211)	(38,211)
-	-	-	(5,326)	(5,326)
-	46,168	-	(322,149)	(322,149)
-	46,168	-	(365,686)	(365,686)
<u>\$ 10,324,098</u>	<u>\$ 5,111,742</u>	<u>(32,101,184)</u>	<u>(365,686)</u>	<u>(32,466,870)</u>

General Revenues:

Property and other county tax levied for:			
General Purposes	28,175,676	-	28,175,676
Debt Service	3,271,115	-	3,271,115
Interest and penalties on taxes	388,657	-	388,657
State tax credits	996,825	-	996,825
Local option sales tax	2,809,754	-	2,809,754
Gambling Taxes	430,249	-	430,249
Unrestricted investment earnings	390,127	1,615	391,742
Gain on Disposal of Capital Assets	105,782	-	105,782
Miscellaneous	564,567	78,230	642,797
Total general revenues	<u>37,132,752</u>	<u>79,845</u>	<u>37,212,597</u>
Change in net position	5,031,568	(285,841)	4,745,727
Net position - beginning	83,675,675	7,282,439	90,958,114
Prior Period Adjustment	(264,009)	-	(264,009)
Net position - beginning, as restated	<u>83,411,666</u>	<u>7,282,439</u>	<u>90,694,105</u>
Net position - ending	<u>\$ 88,443,234</u>	<u>\$ 6,996,598</u>	<u>\$ 95,439,832</u>

COUNTY OF BLACK HAWK, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2013

	General	Mental Health
Assets		
Cash and Pooled Investments	\$ 14,312,995	\$ 1,870,481
Restricted Cash and Pooled Investments	-	-
Receivables:		
Property Tax	113,279	29,771
Future Property Tax	21,185,545	5,567,784
Accrued Interest	6,904	-
Accounts	444,765	320
Interest and Penalty on Property Tax	223,395	-
Notes Receivable	-	-
Due from Other Funds	45,840	-
Due from Other Governmental Agencies	1,401,987	152,595
Capital Lease	-	-
Prepaid Items	36,089	-
Inventories	-	-
Total Assets	<u>37,770,799</u>	<u>7,620,951</u>
Liabilities, Deferred Inflows and Equity		
Liabilities:		
Accounts Payable	675,989	506
Due to Other Funds	41,476	89
Due to Other Governmental Agencies	192,165	-
Unearned Revenue	14,745	-
Salaries and Benefits Payable	399,117	8,046
Total Liabilities	<u>1,323,492</u>	<u>8,641</u>
Deferred Inflows of Resources:		
Unavailable Revenue- Future Property Tax	21,185,545	5,567,784
Unavailable Revenue- Delinquent Property Tax	316,703	27,615
Unavailable Revenue- Other	5,193	-
Total Deferred Inflows of Resources	<u>21,507,441</u>	<u>5,595,399</u>
Fund Balances:		
NonSpendable:		
Prepaid Items	36,089	-
Inventory	-	-
Restricted for:		
Debt Service	-	-
Supplemental Levy Purposes	4,595,183	-
Mental Health Purposes	-	2,016,911
Rural Services Purposes	-	-
Secondary Roads Purposes	-	-
Records Management Purposes	-	-
Conservation Purposes	-	-
Capital Improvement	-	-
Other Purposes	-	-
Committed for:		
Termination Benefits	376,858	-
Assigned for:		
Conservation Land Acquisition	-	-
Unassigned	9,931,736	-
Total Fund Balances	<u>14,939,866</u>	<u>2,016,911</u>
Total Liabilities Deferred Inflows and Equity	<u>\$ 37,770,799</u>	<u>\$ 7,620,951</u>

See Accompanying Notes to Financial Statements

Rural Services	Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,697,253	\$ 1,588,728	\$ 1,692,979	\$ -	\$ 1,054,071	\$ 22,216,507
-	-	-	2,988,181	-	2,988,181
5,129	-	17,505	-	-	165,684
2,350,580	-	3,296,275	-	-	32,400,184
-	-	947	-	-	7,851
1,735	5,172	-	-	24,261	476,253
-	-	-	-	-	223,395
21,150	-	-	-	-	21,150
-	129	90,000	-	-	135,969
250,313	273,906	234,589	-	-	2,313,390
-	-	1,383,342	-	-	1,383,342
-	-	-	10,528	-	46,617
-	366,428	-	-	-	366,428
4,326,160	2,234,363	6,715,637	2,998,709	1,078,332	62,744,951
211	158,606	-	36,033	136,806	1,008,151
431	1,483	-	-	-	43,479
20,569	14,839	-	-	-	227,573
-	-	-	-	-	14,745
25,813	43,147	-	-	-	476,123
47,024	218,075	-	36,033	136,806	1,770,071
2,350,580	-	3,296,275	-	-	32,400,184
4,468	-	16,156	-	-	364,942
-	-	1,383,342	-	-	1,388,535
2,355,048	-	4,695,773	-	-	34,153,661
-	-	-	10,258	-	46,347
-	366,428	-	-	-	366,428
-	-	2,019,864	-	-	2,019,864
-	-	-	-	-	4,595,183
-	-	-	-	-	2,016,911
1,924,088	-	-	-	-	1,924,088
-	1,649,860	-	-	-	1,649,860
-	-	-	-	6,341	6,341
-	-	-	-	782,061	782,061
-	-	-	2,952,418	-	2,952,418
-	-	-	-	137,646	137,646
-	-	-	-	-	376,858
-	-	-	-	15,645	15,645
-	-	-	-	(167)	9,931,569
1,924,088	2,016,288	2,019,864	2,962,676	941,526	26,821,219
\$ 4,326,160	\$ 2,234,363	\$ 6,715,637	\$ 2,998,709	\$ 1,078,332	\$ 62,744,951

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Governmental Funds (page 28)		\$ 26,821,219
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		94,529,137
Internal service funds used by management to charge the costs of self-insured health, general liability, and worker compensation are included in the statement of net position.		6,912,880
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.		1,753,477
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		
Accrued Compensated Absences	\$ (1,920,653)	
Other Post Employment Liabilities	(949,498)	(2,870,151)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(37,328,557)	
General Obligation Capital Loan Notes	(1,240,000)	
Capital Leases	(30,591)	
Accrued Interest Payable	(104,180)	(38,703,328)
Total Net Position - Governmental Activities (page 24)		<u>\$ 88,443,234</u>

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2013

	General	Mental Health	Rural Services
Revenue:			
Property tax	\$ 19,779,850	\$ 5,396,296	\$ 2,086,042
Other County Tax	1,117,475	169,166	1,498,265
Interest and penalty on property tax	388,657	-	-
Intergovernmental	11,346,175	677,135	117,453
Licenses and permits	384,545	-	85,621
Charges for services	4,765,634	36,933	4,697
Use of money and property	204,583	-	300
Miscellaneous	1,843,368	126	271
Total Revenue	<u>39,830,287</u>	<u>6,279,656</u>	<u>3,792,649</u>
Expenditures:			
Current operating:			
Public safety and legal services	15,939,891	-	1,559,749
Physical health and social services	7,869,190	-	-
Mental health	-	5,562,162	-
County environment and education	6,929,901	-	233,182
Roads and transportation	126,094	-	-
Government services to residents	1,670,227	-	285
Administration	4,845,504	-	-
Capital projects	-	-	-
Debt service:			
Principal	423,264	-	-
Bond Issuance Cost	-	-	-
Interest	16,495	-	-
Total Expenditures	<u>37,820,566</u>	<u>5,562,162</u>	<u>1,793,216</u>
Excess (deficiency) of revenues over expenditures	<u>2,009,721</u>	<u>717,494</u>	<u>1,999,433</u>
Other financing sources (uses):			
Transfers in	311,333	-	-
Transfers (out)	(812,791)	-	(1,840,812)
Proceeds from sale of capital assets	1,710	-	-
Issuance of debt	-	-	-
Premium on Bonds Issued	-	-	-
Total other financing sources (uses)	<u>(499,748)</u>	<u>-</u>	<u>(1,840,812)</u>
Net Change in Fund Balances	1,509,973	717,494	158,621
Fund balances - beginning of year	<u>13,429,893</u>	<u>1,299,417</u>	<u>1,765,467</u>
Fund balances - end of year	<u>\$ 14,939,866</u>	<u>\$ 2,016,911</u>	<u>\$ 1,924,088</u>

Secondary Roads	Debt Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,179,934	\$ -	\$ -	\$ 30,442,122
-	1,494,395	-	-	4,279,301
-	-	-	-	388,657
3,432,902	184,339	-	121,585	15,879,589
31,160	-	-	-	501,326
229	-	-	185,958	4,993,451
-	492,254	-	53,971	751,108
43,827	-	-	94,015	1,981,607
3,508,118	5,350,922	-	455,529	59,217,161
-	-	-	108,104	17,607,744
-	-	-	-	7,869,190
-	-	-	-	5,562,162
-	-	-	240,055	7,403,138
5,735,224	-	-	-	5,861,318
-	-	-	34,966	1,705,478
-	-	-	-	4,845,504
177,378	-	5,400,268	-	5,577,646
-	4,275,000	-	-	4,698,264
-	-	32,273	-	32,273
-	1,355,486	-	-	1,371,981
5,912,602	5,630,486	5,432,541	383,125	62,534,698
(2,404,484)	(279,564)	(5,432,541)	72,404	(3,317,537)
2,653,603	339,393	-	-	3,304,329
(311,333)	-	(339,393)	-	(3,304,329)
35,153	-	-	1,020	37,883
-	-	2,000,000	-	2,000,000
-	-	80,548	-	80,548
2,377,423	339,393	1,741,155	1,020	2,118,431
(27,061)	59,829	(3,691,386)	73,424	(1,199,106)
2,043,349	1,960,035	6,654,062	868,102	28,020,325
\$ 2,016,288	\$ 2,019,864	\$ 2,962,676	\$ 941,526	\$ 26,821,219

COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 31)		\$ (1,199,106)
<p>Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays exceeded depreciation expense in the current year as follows:</p>		
Expenditures for capital assets	\$ 9,741,846	
Depreciation expense	<u>(4,859,474)</u>	4,882,372
Governmental funds report the proceeds from the sale of fixed assets as revenue whereas the statement of activities reports the gain on the sale of fixed assets. This is the effect on the change in net position on the statement of activities.		(219,769)
Revenues reported in the funds that are not available to provide current financial resources.		(335,141)
Accrued interest expense that does not require current financial resources.		8,568
Proceeds from issuance of long term debt.		(2,000,000)
Internal service funds are used by management to charge the costs of partial self-insured health insurance. The net revenue of the internal service funds is reported with governmental activities.		(465,944)
Compensated absences that do not require current financial resources.		(121,929)
Other Post-Employment Benefits that do not require current financial resources.		(128,149)
<p>The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:</p>		
Repayment of debt principal	4,698,264	
Premium on issuance of long term debt	(80,548)	
Accretion of premium on long term debt	24,188	
Amortization of discounts on long term debt	<u>(31,238)</u>	<u>4,610,666</u>
Change in net position of governmental activities (page 26)		<u>\$ 5,031,568</u>

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2013

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
ASSETS				
Current Assets:				
Cash and Investments	\$ 2,355,048	\$ 242,122	\$ 2,597,170	\$ 7,875,577
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	136,069	39,197	175,266	33,793
Due from Other Governmental Agencies	1,586,033	-	1,586,033	-
Inventories	92,798	-	92,798	-
Total Current Assets	4,169,948	281,319	4,451,267	7,909,370
Noncurrent Assets:				
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	2,277,196	2,620,766	4,897,962	-
Total Noncurrent Assets	2,277,196	2,620,766	4,897,962	-
Total Assets	6,447,144	2,902,085	9,349,229	7,909,370
LIABILITIES				
Current Liabilities:				
Accounts Payable	109,912	3,689	113,601	6,555
Claims Payable	-	-	-	989,935
Accrued Interest Payable	-	1,713	1,713	-
Salaries and Benefits Payable	165,962	-	165,962	-
Due to Other Funds	92,490	-	92,490	-
Unearned Revenue	28,761	-	28,761	-
Due to Other Governments	7,330	-	7,330	-
Current portion of general obligation bonds	-	80,000	80,000	-
Other Liabilities	570,760	-	570,760	-
Compensated Absences	372,470	-	372,470	-
Total Current Liabilities	1,347,685	85,402	1,433,087	996,490
Noncurrent Liabilities:				
Due in more than one year:				
General Obligation Bonds	-	447,587	447,587	-
Compensated Absences	60,455	-	60,455	-
Net OPEB Liability	411,502	-	411,502	-
Total Noncurrent Liabilities	471,957	447,587	919,544	-
Total Liabilities	1,819,642	532,989	2,352,631	996,490
NET POSITION				
Net Investment in Capital Assets	2,277,196	2,093,179	4,370,375	-
Unrestricted	2,350,306	275,917	2,626,223	6,912,880
Total Net Position	\$ 4,627,502	\$ 2,369,096	\$ 6,996,598	\$ 6,912,880

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended, June 30, 2013

	Business Type Activities			Governmental Activities
	Country View	Nonmajor Enterprise	Total	Internal Service
	Care Facility	Funds		
Operating Revenues:				
Charges for Services	\$ 11,940,324	\$ 249,829	\$12,190,153	\$ 6,395,116
Operating Expenses:				
Employee Services	9,568,799	-	9,568,799	-
Contract Services	1,539,232	37,819	1,577,051	6,913,518
Supplies	783,450	-	783,450	-
Repairs and Improvements	98,209	27,685	125,894	-
Utilities	149,230	2,555	151,785	-
Depreciation	168,894	195,468	364,362	-
Total Operating Expenses	12,307,814	263,527	12,571,341	6,913,518
Operating Income (Loss)	(367,490)	(13,698)	(381,188)	(518,402)
Non-Operating Income (Expense):				
Interest Income	-	1,615	1,615	52,458
Loss on Disposal of Capital Assets	(827)	-	(827)	-
Other Non-operating Income	76,799	1,431	78,230	-
Interest Expense	-	(29,839)	(29,839)	-
Total Non-Operating Income (Expenses)	75,972	(26,793)	49,179	52,458
Income (Loss) Before Contributions and Transfers	(291,518)	(40,491)	(332,009)	(465,944)
Contributed Capital Revenue	46,168	-	46,168	-
Change in Net Position	(245,350)	(40,491)	(285,841)	(465,944)
Net Position - Beginning	4,872,852	2,409,587	7,282,439	7,378,824
Net Position - Ending	\$ 4,627,502	\$ 2,369,096	\$ 6,996,598	\$ 6,912,880

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds
Year Ended June 30, 2013

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 11,740,905	\$ 248,270	\$ 11,989,175	\$ 6,387,685
Cash Paid to Suppliers for Goods and Services	(2,134,198)	(65,686)	(2,199,884)	(9,930)
Cash Paid for claims and to administrative provider	-	-	-	(6,734,100)
Cash Paid to Employees for Services Provided	(9,482,805)	-	(9,482,805)	-
Other Non-Operating Income	76,799	1,431	78,230	-
Net Cash Provided (Used) by Operating Activities	200,701	184,015	384,716	(356,345)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(8,960)	-	(8,960)	-
Payments on capital loan notes and bonds	-	(80,000)	(80,000)	-
Interest Paid on Notes and Bonds	-	(23,538)	(23,538)	-
Net Cash (Used) for Capital and Related Financing Activities	(8,960)	(103,538)	(112,498)	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Due From (To) Other Funds	(8,299)	-	(8,299)	-
Net Cash (Used) by Non-Capital Financing Activities	(8,299)	-	(8,299)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	1,707	1,707	57,191
Net Cash Provided from Investing Activities	-	1,707	1,707	57,191
Net Increase (Decrease) in Cash and Cash Equivalents	183,442	82,184	265,626	(299,154)
Cash and Cash Equivalents at Beginning of Year	2,171,606	159,938	2,331,544	8,174,731
Cash and Cash Equivalents at End of Year	\$ 2,355,048	\$ 242,122	\$ 2,597,170	\$ 7,875,577

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
Year Ended June 30, 2013

	Business Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (367,490)	\$ (13,698)	\$ (381,188)	\$ (518,402)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	168,894	195,468	364,362	-
Miscellaneous Non-Operating Income	76,799	1,431	78,230	-
(Increase) Decrease in Assets:				
Accounts Receivable	(49,785)	(1,559)	(51,344)	(7,431)
Due From Other Governments	(151,163)	-	(151,163)	-
Inventories	(4,535)	-	(4,535)	-
Increase (Decrease) in Liabilities				
Accounts Payable	(42,761)	2,373	(40,388)	2,002
Claims Payable	-	-	-	167,486
Unearned Revenue	1,529	-	1,529	-
Accrued Compensated Absences	7,932	-	7,932	-
Accrued Wages and Benefits	19,211	-	19,211	-
Other Post Employment Benefit Liability	58,851	-	58,851	-
Other Liabilities	489,501	-	489,501	-
Due To Other Governments	(6,282)	-	(6,282)	-
Total Adjustments	568,191	197,713	765,904	162,057
Net Cash Provided (Used) by Operating Activities	\$ 200,701	\$ 184,015	\$ 384,716	\$ (356,345)
Supplemental Schedule of Noncash Capital and Related Financing Activities:				
Contributed Capital	\$ 46,168	\$ -	\$ 46,168	\$ -

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Agency Funds
JUNE 30, 2013

ASSETS

Cash and Pooled Investments	\$ 7,136,563
Property Taxes and Other	<u>152,743,505</u>
Total Assets	<u><u>159,880,068</u></u>

LIABILITIES

Accounts Payable and Accrued Liabilities	310,419
Due to Other Governments	158,618,425
Trusts Payable	<u>951,224</u>
Total Liabilities	<u><u>\$ 159,880,068</u></u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies

The County of Black Hawk, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

Blended Component Units

These financial statements present Black Hawk County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Each of the component units have a June 30 year-end. Blended Component Units are entities that are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Drainage Districts: Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed, and supervised by the Black Hawk County Board of Supervisors, which is the same governing board as the primary government. The drainage districts are reported as a special revenue fund. Financial information of the individual drainage districts can be obtained from the Black Hawk County Auditor's Office.

The Friends of Hartman Reserve, Inc.: The Friends of Hartman Reserve, Inc. has been incorporated under the provisions of the Iowa Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, for the purpose of providing volunteer resources, including personnel and financial resources, for the Hartman Reserve Nature Center and its governing organization, the Black Hawk County, Iowa Conservation Board. The Center is reported as a special revenue fund. Friends of Hartman is shown as a blended component unit, as it only serves and provides resources to Black Hawk County.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies – (Continued)

Financial information can be obtained from the Black Hawk County, Iowa's Auditor's Office at 316 East 5th Street, Waterloo, Iowa 50703.

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The Black Hawk County, Iowa's Board of Supervisors are members of or appoint representatives to the following boards and commissions: Black Hawk County, Iowa's Assessor's Conference Board, County Emergency Management Commission and Black Hawk County, Iowa's Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Black Hawk County Criminal Justice Information System, Black Hawk County Solid Waste Management Commission, Multi-County Drug Prosecution Unit, Tri-County Drug Task Force, Northeast Iowa Response Group, Iowa Northland Regional Housing Council, Iowa County Engineers Association Service Bureau, Consolidated Public Safety Communication Center and North Iowa Juvenile Detention Services Commission.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities, and the Country View Care Facility, Rural Water and Rural Sewer funds are classified as business-type activities. The County's internal service funds are classified as primarily governmental type activities.

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. In the government-wide Statement of Net Position, the governmental and business type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies – (Continued)

The County does not allocate indirect costs. Certain expenses of the County are accounted for through the internal service fund on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided; eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

Rural Services Fund is used to account taxes levied to benefit the rural residents of the County.

3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

4) Capital Projects Fund – The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies – (Continued)

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles used are those applicable to similar businesses in the private sector. The County reports the following proprietary funds:

- 1) Enterprise Funds: To account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges.

The County's major enterprise fund:

Country View Care Facility: To account for the activities and operations of the County's certified care facility.

- 2) Internal Service Fund – Accounts for the County's self-insurance fund, office equipment fund and health insurance fund.

The County's internal service fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the County's governmental activities, the financial statements of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies – (Continued)

revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the County's debt service function.
- F. Cash and Pooled Investments – The cash balances of most County funds along with its component units are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County and its component units use the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Investments	Fair Value

- G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2011 to compute the amounts that became liens on property when the supervisors adopted the FY13 budget. These taxes were due and payable in two installments on September 30, 2012 and March 31, 2013 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies – (Continued)

- H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and is shown as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

- I. Due to/from Other Funds - During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.
- J. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- K. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.
- L. Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts and related benefits is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2013. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.
- M. Deferred Outflows / Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds financial statements and in the governmental activities of the government-wide financial statements. The governmental activities in the government-wide statements report unavailable revenues from subsequent year property taxes. The

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies – (Continued)

governmental funds report unavailable revenues from subsequent year property taxes, delinquent property taxes, and other miscellaneous items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- N. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000. Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Improvements Other Than Buildings	10 – 25 Years
Buildings and Structures	10 – 50 Years
Infrastructure	15 – 65 Years
Machinery and Equipment	5 – 20 Years

- O. Discounts, premiums and issuance costs on long-term debt – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Discounts and premiums on the issuance of long-term debt are deferred and amortized over the life of the debt using the effective interest method. Bond issue cost is recognized in the current period.

In the fund financial statements, governmental fund types recognize discounts and premiums on long-term debt as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts and premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- P. Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies – (Continued)

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in other classifications.

Q. Net Position – The net position of the Internal Service Funds is designated for anticipated future catastrophic losses of the County.

Note 2 - Cash and Investments

As of June 30, 2013, the County's cash and investments were as follows:

Cash, statement of net position	\$ 30,644,758
Cash, fiduciary funds	7,136,563
Investments	5,032,677
	<u>\$ 42,813,998</u>

The County maintains cash and investment pools for certain funds where the resources have been pooled in order to maximize investment opportunities. Income from investments is recorded in the General Fund unless otherwise provided by law.

Authorized investments: The County is authorized by statute and policy to invest public funds in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the County and State of Iowa Statute, Chapter 12C; and perfected repurchase agreements, pooled funds including but not limited to mutual funds, trusts and third party management arrangement or improvement certificates of a drainage district. However, the County's investment policy additionally limits investments stating that any bank must be on the most recent State of Iowa Approved Bank List. Additionally, investments in (1) reverse repurchase agreements and (2) securities derived from interest-only cash flows from an underlying collateral debt instrument where there is risk of loss due to early redemption of the collateral are prohibited.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, the County minimizes the market value risk of investments in the portfolio by separating operating funds from other funds available for investment. Operating funds may not be invested in investments with maturity dates in excess of 397 days. Nonoperating funds may be invested in investments with maturities no greater than 30 months. This ensures that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

Investment Type	Maturities	Fair Value
IPAIT Diversified, Money Market Mutual Fund	N/A	\$ 4,462,128
Government Bonds	N/A	25,493
Money market mutual fund	N/A	6,359
Mutual funds, equities	N/A	538,697
		<u>\$ 5,032,677</u>

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 2 - Cash and Investments (Continued)

As of June 30, 2013, the County's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poor's
IPAIT Diversified, Money Market Mutual Fund	Not rated	Not rated
Money market mutual fund	Not rated	Not rated
Mutual funds, equities	Not rated	Not rated
Government Bonds	N/A	N/A

Concentration of credit risk: The County's investment policy is to apply the prudent-person rule: Investments shall be made utilizing the judgment and care, under the circumstances then present, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering probable safety of their capital as well as the probable income to be derived. The County did not have any investments in any one issuer that represent 5% more of total County investments: mutual funds are excluded from this consideration given the County does not "hold" the underlying investments.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2013, the County's investments were insured or were not subject to custodial credit risk. Time deposits in excess of FDIC insurable limits are secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all County funds to be deposited into an approved depository and be either insured or collateralized. As of June 30, 2013, the County's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

Note 3 - Interfund Receivables and Payables

As of June 30, 2013, short-term interfund borrowings for operating purposes were as follows:

	Due From Other Funds	Due To Other Funds
Governmental funds, major funds:		
General	\$ 45,840	\$ 41,476
Mental Health	-	89
Rural Basic	-	431
Secondary Roads	129	1,483
Debt Service	90,000	-
Enterprise funds, major funds:		
Country View Care Facility	-	92,490
Total	<u>\$ 135,969</u>	<u>\$ 135,969</u>

These balances represent amounts due between funds due to timing differences in services being performed and reimbursements being made.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

Transfer In:	Transfer Out:				
	Secondary Roads	Capital Projects	General	Rural Services	Total Transfer In
Debt Service	\$ -	\$ 339,393	\$ -	\$ -	\$ 339,393
Secondary Roads	-	-	812,791	1,840,812	2,653,603
General	311,333	-	-	-	311,333
Total Transfer Out	\$ 311,333	\$ 339,393	\$ 812,791	\$1,840,812	\$ 3,304,329

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move unrestricted revenues collected in the rural services fund to finance various programs and capital projects accounted for in other funds in accordance with budgetary authorizations.
3. Make corrections for receipts recorded in or expenditures expended from the wrong fund.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 5 - Capital Assets

A summary of changes in capital assets, including the component unit, is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,698,535	\$ 86,764	\$ -	\$ 5,785,299
Construction in Progress	8,541,277	8,728,629	16,263,138	1,006,768
Total capital assets not being depreciated	14,239,812	8,815,393	16,263,138	6,792,067
Capital assets being depreciated:				
Land Improvements	1,368,737	-	-	1,368,737
Buildings and Structures	28,361,733	392,488	92,500	28,661,721
Machinery and Equipment	11,794,490	951,790	762,541	11,983,739
Infrastructure	75,888,747	15,870,646	-	91,759,396
Total capital assets being depreciated	117,413,707	17,214,927	855,041	133,773,593
Less accumulated depreciation for:				
Land Improvements	903,326	43,920	-	947,246
Buildings and Structures	9,946,845	639,844	60,126	10,526,563
Machinery and Equipment	7,439,484	837,919	549,810	7,727,593
Infrastructure	23,497,330	3,337,791	-	26,835,121
Total accumulated depreciation	41,786,985	4,859,474	609,936	46,036,523
Total capital assets being depreciated, net	75,626,722	12,355,453	245,105	87,737,070
Governmental activities capital assets, net	\$ 89,866,534	\$ 21,170,846	\$ 16,508,243	\$ 94,529,137
Business-Type Activities:				
Capital assets being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Buildings and Structures	4,833,593	46,168	-	4,879,761
Improvements other than buildings	96,836	-	-	96,836
Vehicles	108,283	-	-	108,283
Equipment	428,494	8,960	9,925	427,529
Infrastructure	5,420,639	-	-	5,420,639
Total capital assets being depreciated	10,887,845	55,128	9,925	10,933,048
Less accumulated depreciation for:				
Buildings and structures	2,615,407	136,616	-	2,752,023
Improvements other than buildings	77,173	1,013	-	78,186
Vehicles	96,892	5,695	-	102,587
Equipment	285,947	25,570	9,098	302,419
Infrastructure	2,604,403	195,468	-	2,799,871
Total accumulated depreciation	5,679,822	364,362	9,098	6,035,086
Total capital assets being depreciated, net	\$ 5,208,023	\$ (309,234)	\$ 827	\$ 4,897,962

Depreciation expense was charged to the governmental functions as follows:

Public safety and legal services	\$ 612,590
Physical health and social services	70,380
County environment and education	174,590
Roads and transportation	3,692,919
Government services to residents	54,473
Administration	254,522
	<u>\$ 4,859,474</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the enterprise functions as follows:

Rural Water	\$ 66,729
Rural Sewer	128,739
Country View Care Facility	168,894
	<u>\$ 364,362</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 5,785,299	\$ -
Construction in Progress	1,006,768	-
Capital Assets (net of accumulated depreciation)	87,737,070	4,897,962
Less * General Obligation Bonds	(34,287,324)	(530,000)
General Obligation Capital Loan Notes	(1,240,000)	-
Capital Leases	(30,591)	-
Premiums on Long Term Debt	(229,444)	-
Discounts on Long Term Debt	150,887	2,413
Net Investment in Capital Assets	<u>\$ 58,892,665</u>	<u>\$ 4,370,375</u>

*The general obligation bond amount shown in the governmental activities column does not include \$2,962,676 of outstanding bonds, as at year end these amounts were unspent, thus were included in the restricted component of net position.

Note 6 - E911 Lease Receivable

On July 22, 2008, the County issued General Obligation Bonds Series 2008B in order to purchase equipment for the E911 Service Board (a jointly governed organization to the County). The total principal and interest on the bonds was \$4,759,709 payable in semiannual payments starting December 1, 2009 and ending June 1, 2018. As of June 30, 2013, the 2008B bonds had an outstanding balance of \$2,110,000. When fully drawn the E911 Service Board is paying the County monthly installments ranging from \$30,000 to \$155,000 through December 15, 2018 with interest rates ranging from 4.00% to 4.60% per annum. The payments for the E911 Service Board are credited directly to the Debt Service Fund. In total as of June 30, 2013, the County has purchased approximately \$3,572,000 of equipment. As of June 30, 2013, the remaining principle balance on the lease receivable owed to the County was \$1,383,342.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 6 - E911 Lease Receivable (Continued)

Year Ending June 30,	Principal	Interest	Total
2014	\$ 266,847	\$ 93,153	\$ 360,000
2015	282,785	77,215	360,000
2016	299,360	60,640	360,000
2017	317,180	42,820	360,000
2018	217,170	23,920	241,090
Total	\$ 1,383,342	\$ 297,748	\$ 2,401,090

Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liability for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Retirements/ Deletions	Balance June 30, 2013	Due Within One Year
Governmental activities:					
General obligation bonds	\$39,525,000	\$2,000,000	\$4,275,000	\$37,250,000	\$4,075,000
General obligation capital notes	1,655,000	-	415,000	1,240,000	305,000
Capital leases	38,855	-	8,264	30,591	9,313
Compensated absences	1,798,724	1,709,491	1,587,562	1,920,653	1,191,179
	\$43,017,579	\$3,709,491	\$6,285,826	\$40,441,244	\$5,580,492
Business-type activities					
General obligation bonds	\$ 610,000	\$ -	\$ 80,000	\$ 530,000	\$ 80,000
Compensated absences	424,994	390,979	383,048	432,925	372,470
	\$ 1,034,994	\$ 390,979	\$ 463,048	\$ 962,925	\$ 452,470

New debt issues: On April 9, 2013, Black Hawk County issued \$2,000,000 in General Obligation Bonds, Series 2013. These bonds are due in annual installments of \$437,500 to \$413,100 through 2018 at an interest rate of 2.00%. The bonds were used to finance the costs of certain capital improvements and equipment acquisitions in the County.

General Obligation bonds: General obligation bonds have been issued for both governmental and business-type activities. The portion of unmatured general obligation bonds reported in the governmental activities column in the statement of net position to be paid from the Debt Service Fund totaled \$37,250,000 as of June 30, 2013. These bonds bear interest with rates ranging from 1.00% to 5.625% and mature in varying annual amounts ranging from \$45,000 to \$1,065,000 through June 1, 2026.

The portion of unmatured general obligation bonds reported in the business-type activities column in the statement of net position to be paid from proprietary revenues totaled \$530,000 as of June 30, 2013. These bonds bear interest with rates ranging from 3.20% to 4.00% and mature in varying annual amounts ranging from \$75,000 to \$105,000 through June 1, 2019.

General obligation capital loan notes: General obligation capital loan notes have been issued for the governmental activities. The portion of unmatured general obligation capital loan notes reported in the governmental activities column in the statement of net position and to be paid from the Debt Service Fund totaled \$1,240,000 as of June 30, 2013. These notes bear interest with rates ranging from 0.40% to 4.71% and mature in varying annual amounts ranging from \$20,000 to \$320,000 through June 1, 2017.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 7 - Long-Term Liabilities (Continued)

Capital leases: The County has a capital lease for food service equipment with zero interest payments ranging between \$404 to \$1,020 monthly through 2016. The net book value of the equipment is \$20,537 as of June 30, 2013.

Compensated absences: Compensated absences attributable to governmental activities are generally liquidated by the General Fund.

Summary of principal and interest maturities: Annual debt requirements to service all outstanding indebtedness as of June 30, 2013 are as follows:

Governmental Activities	General Obligation Bonds		General Obligation Capital Notes		Capital Leases	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 4,075,000	\$ 1,285,804	\$ 305,000	\$10,132	\$ 9,313	\$ -
2015	3,985,000	1,171,653	305,000	8,608	10,494	-
2016	4,045,000	1,057,754	310,000	6,625	10,784	-
2017	4,170,000	933,408	320,000	3,680		
2018	3,900,000	796,999	-	-		
2019-2023	14,760,000	2,174,528	-	-	-	-
2024-2026	2,315,000	147,719	-	-	-	-
	<u>\$ 37,250,000</u>	<u>\$ 7,567,865</u>	<u>\$ 1,240,000</u>	<u>\$29,045</u>	<u>\$ 30,591</u>	<u>\$ -</u>

Business-Type Activities	General Obligation Bonds	
Year Ending June 30,	Principal	Interest
2014	\$ 80,000	\$ 20,555
2015	85,000	17,539
2016	85,000	14,309
2017	90,000	11,045
2018	95,000	7,552
2019	95,000	3,800
	<u>\$ 530,000</u>	<u>\$ 74,800</u>

The Governmental General Obligation Bonds are shown net of the unamortized premiums of \$229,444 and discounts of \$(150,887) on the Statement of Net Position.

GO Capital Loan Notes	\$ 1,240,000	Exhibit 1-Statement of Net Position	
General Obligation Bonds	37,250,000	General Obligation Bonds Payable-Current	\$ 4,075,000
Unamortized Discounts	(150,887)	GO Capital Loan Notes – Current	305,000
Unamortized Premiums	229,444	General Obligation Bonds Payable- Long Term	33,253,557
		GO Capital Loan Notes – Long Term	935,000
	<u>\$38,568,557</u>		<u>\$38,568,557</u>

The Rural Sewer general obligation bonds were also shown net of unamortized bond discount of \$2,413.

The computation of the County's legal margin as of June 30, 2013 is as follows:

January 2011 assessed valuation	\$ 5,275,070,654
Debt limit, 5% of assessed valuation (Iowa Statutory Limitation)	263,753,533
Total amount of debt applicable to debt margin	<u>39,020,000</u>
Legal debt margin	<u>\$ 224,733,533</u>

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 8 - Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to any employee who, with the consent of Black Hawk County, elects to reduce a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, inservice distribution or unforeseeable emergency. The Plan was amended to comply with IRC Section 457(b) which allowed for the Plan to hold its assets in trust. Under these new requirements, the assets of the Plan are no longer subject to the general creditors of the County. The assets are maintained in trust by the employer in connection with the Plan. The Plan is maintained for the exclusive benefit of the employee or his/her beneficiary and, therefore, the liability and corresponding investment are not reflected in the financial statements.

Note 9 - Employee Health Insurance Plan

The County is self-insured for its employee medical coverage. The internal service, Health Insurance Fund, was established to account for revenues and expenses of the County's health insurance benefit plan. The benefit plan is funded by both employee and County contributions and is administered by a third party administrator, First Administrators, Inc., a stop-loss insurance policy, has been obtained for the health plan to limit the amount of payments by the County on an individual basis to \$100,000 per year. The annual maximum coverage limit for the employee medical plan is \$1,000,000. In addition to the individual stop loss coverage, the County has purchased aggregate excess loss coverage of 125% of expected claims during the year, approximately \$7,497,489.

Monthly payments of service fees and plan contributions to the internal service, Health Insurance Fund, are recorded as expenditures from the operating funds.

Amounts payable from the internal service, Health Insurance Fund, as of June 30, 2013 totaled \$899,699 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses.

Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the claims payable in fiscal years 2012 and 2013 are as follows:

	2012	2013
Claims payable, beginning of year	\$ 879,503	\$ 773,058
Claims recognized	5,047,272	6,124,632
Claim payments and change in accrual	(5,153,717)	(5,997,991)
Claims payable, end of year	<u>\$ 773,058</u>	<u>\$ 899,699</u>

Note 10 - Risk Management

Black Hawk County is exposed to various risks of loss related to torts; theft damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to protect against errors and omissions and injuries to employees. The County is a member of the Iowa Communities Assurance Pool (ICAP). The membership in the ICAP protects against loss related to torts; theft, damage to and destruction of assets; and natural disasters. ICAP is a risk sharing pool where liability of each member is limited to their financial contribution; no member is responsible for the liabilities of any other member. The County is responsible for the first

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 10 - Risk Management (Continued)

\$50,000 of settlements. Prior to joining ICAP, the County was self-insured for various risks of loss; \$90,236 has been accrued for these run-off claims and for the deductibles of outstanding claims under the pooled plan.

	2012	2013
Claims payable, beginning of year	\$ 54,346	\$ 49,391
Claims recognized	134,500	95,500
Claim payments and change in accrual	(139,455)	(54,655)
Claims payable, end of year	\$ 49,391	\$ 90,236

Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11 - Pension and Retirement

Iowa Public Employees Retirement System - The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.78% of their annual covered salary and the County is required to contribute 8.67% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$2,475,054, \$2,363,158 and \$1,967,861, respectively, equal to the required contributions for each year.

Note 12 - Other Postemployment Benefits (OPEB)

Plan Description - The County operates a single-employer retiree benefit plan which provides self insured medical/prescription drug benefits for all active employees and retirees and their eligible dependents. Sheriff's deputies must be a minimum of age 50 with 22 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with four or more years of service to be eligible for retiree benefits. Benefits cease upon attaining age 65.

No stand alone financial report is issued, the plan is self-funded and included in the County's financial statements.

Funding Policy - The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the County's union contracts. Retirees pay the full premium. The current funding policy of the County is to pay health claims as they occur.

Annual OPEB Cost and Net OPEB Obligation - The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 12 - Other Postemployment Benefits (OPEB) (Continued)

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the County's OPEB obligation:

Annual required contribution	\$ 296,000
Interest on net OPEB obligation	44,000
Adjustment to annual required contribution	<u>(38,000)</u>
Annual OPEB cost	302,000
Contributions made	<u>(115,000)</u>
Increase in net OPEB obligation	187,000
Net OPEB obligation beginning of year	<u>1,174,000</u>
Net OPEB obligation end of year	<u>\$ 1,361,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2013. The general fund, secondary roads fund, rural services fund, mental health fund and Country View Care Facility fund typically fund this liability.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years 2010 through 2013 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 302,000	38%	\$ 1,361,000
June 30, 2012	\$ 302,000	38%	\$ 1,174,000
June 30, 2011	\$ 290,280	28%	\$ 987,000
June 30, 2010	\$ 362,000	2.8%	\$ 778,720

Funded Status and Funding Progress – As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$2,905,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,905,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$28,000,000 and the ratio of the UAAL to covered payroll was 10.4%. As of June 30, 2013, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 12 - Other Postemployment Benefits (OPEB) (Continued)

required supplementary information in the section following the Notes to Financial Statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2011 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011.

Assumptions also include a 3.0% rate of inflation and a 3.5% growth in payroll per annum. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 13 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2013, the County estimates that no material liabilities will result from such audits.

Pending Litigation

The County is a defendant in several lawsuits in the course of operations. In the opinion of the County Attorney and management, the resolution of such litigation will not have a material adverse effect on the future financial statements of the County.

Note 14 - Conduit Debt Obligations

The County has issued Health Care Facility and Industrial Revenue Bonds under the provisions of Chapter 419 of the Code of Iowa, to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

COUNTY OF BLACK HAWK, IOWA
Notes to Financial Statements
June 30, 2013

Note 14 - Conduit Debt Obligations (Continued)

As of June 30, 2013, Industrial Revenue Bonds outstanding had an original issue amount of \$8,775,000. The outstanding balance at June 30, 2013 was \$6,903,445.

Note 15 - Construction Commitment

The County has entered into contracts totaling \$14,519,227 for various bridge and road construction, engineering and other maintenance projects, which were ongoing at year end. As of June 30, 2013, costs of \$12,701,243 had been incurred against the contracts. The balance of \$1,817,984 remaining at June 30, 2013 will be paid as work on the projects progress.

Note 16 - Prior Period Adjustment

In previous years bond issuance costs were deferred and amortized over the term of the bonds. During the year ended June 30, 2013, the County implemented Governmental Accounting Standards Board Statement No. 65 requiring these costs to be recognized in the period the loan was originated. A prior period adjustment was reported on the financial statements to recognize the effect of the removal of the unamortized bond issuance costs. The prior period adjustment decreased the beginning balance of the net position of the governmental activities by \$264,009.

Note 17 - Deficit Equity Balance

The Drainage Districts Fund had a deficit fund balance at June 30, 2013, of \$167. This is due to timing of expenditures and assessments collected. It is anticipated that the fiscal year 2014 budget should correct this.

Note 18 - Subsequent Event

On December 10, 2013 the County issued \$5,935,000 General Obligation Bonds, Series 2013B. The bonds will mature over the next five years and accrue interest at 1 – 2%. The bonds proceeds will be used for improvements at the Black Hawk County Sanitary Landfill. A 28E agreement has been created with this entity, which would also be responsible for repayment of said bonds.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, ALL GOVERNMENTAL FUND TYPES, BUDGETARY BASIS
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property tax	\$ 30,825,542	\$ 30,825,542	\$ 30,442,122	\$ (383,420)
Other County tax	3,899,092	3,899,092	4,279,301	380,209
Interest and penalty on property tax	364,000	364,000	388,657	24,657
Intergovernmental	16,370,035	16,655,708	15,879,589	(776,119)
Licenses and permits	501,900	501,900	501,326	(574)
Charges for services	4,185,202	4,251,062	4,993,451	742,389
Use of money and property	930,454	930,454	751,108	(179,346)
Miscellaneous, primarily contributions	1,631,432	2,005,029	1,981,607	(23,422)
Total Revenue	58,707,657	59,432,787	59,217,161	(215,626)
Expenditures:				
Current operating:				
Public safety and legal services	17,969,495	18,180,468	17,607,744	572,724
Physical health and social services	8,216,333	8,420,576	7,869,190	551,386
Mental health	7,344,615	7,344,615	5,562,162	1,782,453
County environment and education	7,053,057	7,586,855	7,403,138	183,717
Roads and transportation	5,768,875	6,513,848	5,861,318	652,530
Government services to residents	1,707,763	1,707,763	1,705,478	2,285
Administration	5,345,284	5,485,284	4,845,504	639,780
Capital projects	1,758,146	7,585,882	5,577,646	2,008,236
Debt service	5,672,703	6,080,347	6,102,518	(22,171)
Total Expenditures	60,836,271	68,905,638	62,534,698	6,370,940
Excess (deficiency) of revenues over expenditures	(2,128,614)	(9,472,851)	(3,317,537)	6,155,314
Other financing sources (uses):				
Transfers in	2,653,603	2,653,603	3,304,329	650,726
Transfers out	(2,653,603)	(2,653,603)	(3,304,329)	(650,726)
Proceeds from sale of capital assets	-	19,760	37,883	18,123
Issuance of bonds	-	-	2,000,000	2,000,000
Premiums on bonds issued	-	-	80,548	80,548
Total other financing sources (uses)	-	19,760	2,118,431	2,098,671
Net Change in Fund Balances	<u>\$ (2,128,614)</u>	<u>\$ (9,453,091)</u>	<u>(1,199,106)</u>	<u>\$ 8,253,985</u>
Fund balances - beginning of year			<u>28,020,325</u>	
Fund balances - end of year			<u>\$26,821,219</u>	

COUNTY OF BLACK HAWK, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2013

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds except Agency Funds and the Internal Service Fund, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the modified accrual budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$8,069,367. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the County's debt service function.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
For the Year Ended June 30, 2013

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008 *	\$ -	\$ 4,319,000	\$ 4,319,000	0.00%	\$ 22,723,576	19.0%
2010	July 1, 2009	\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 23,861,244	14.4%
2011	July 1, 2009	\$ -	\$ 3,432,000	\$ 3,432,000	0.00%	\$ 27,072,108	12.7%
2012	July 1, 2011	\$ -	\$ 2,905,000	\$ 2,905,000	0.00%	\$ 27,322,434	10.6%
2013	July 1, 2011	\$ -	\$ 2,905,000	\$ 2,905,000	0.00%	\$ 28,058,641	10.4%

* Fiscal 2009 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

See Note 12 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and Net OPEB Obligation, funding status and funding progress.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF BLACK HAWK, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2013

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Comissary
Assets			
Cash and Pooled Investments	\$ 109,726	\$ 5,806	\$ 127,787
Receivables:			
Accounts	-	2,388	21,873
Total Assets	<u>109,726</u>	<u>8,194</u>	<u>149,660</u>
Liabilities, Deferred Inflows and Equity			
Liabilities:			
Accounts Payable	36,024	1,853	12,014
Total Liabilities	<u>36,024</u>	<u>1,853</u>	<u>12,014</u>
Fund Balances:			
Restricted for:			
Records Management Purposes	-	6,341	-
Other Purposes	-	-	137,646
Conservation Purposes	73,702	-	-
Assigned for:			
Conservation Land Acquisition	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>73,702</u>	<u>6,341</u>	<u>137,646</u>
Total Liabilities Deferred Inflows and Equity	<u>\$ 109,726</u>	<u>\$ 8,194</u>	<u>\$ 149,660</u>

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Acquisition Fund	Conservation Land Acquisition Fund	Total
\$ -	\$ 794,388	\$ 16,364	\$ 1,054,071
-	-	-	24,261
-	794,388	16,364	1,078,332
167	86,029	719	136,806
167	86,029	719	136,806
-	-	-	6,341
-	-	-	137,646
-	708,359	-	782,061
-	-	15,645	15,645
(167)	-	-	(167)
(167)	708,359	15,645	941,526
\$ -	\$ 794,388	\$ 16,364	\$ 1,078,332

COUNTY OF BLACK HAWK, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
Year Ended June 30, 2013

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Comissary
Revenue:			
Intergovernmental	\$ 57,231	\$ -	\$ -
Charges for services	-	27,326	131,797
Use of money and property	792	69	-
Miscellaneous	20,570	-	-
Total Revenue	78,593	27,395	131,797
Expenditures:			
Current operating:			
Public safety and legal services	-	-	108,104
County environment and education	93,816	-	-
Government services to residents	-	34,966	-
Total Expenditures	93,816	34,966	108,104
Excess (deficiency) of revenues over expenditures	(15,223)	(7,571)	23,693
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances	(15,223)	(7,571)	23,693
Fund balances - beginning of year	88,925	13,912	113,953
Fund balances - end of year	\$ 73,702	\$ 6,341	\$ 137,646

Special Revenue Funds		Capital Projects		
Drainage Districts	Friends of Hartman Acquisition Fund	Conservation Land Acquisition Fund	Total	
\$ -	\$ 64,354	\$ -	\$	121,585
-	26,835	-		185,958
-	53,110	-		53,971
-	71,343	2,102		94,015
-	215,642	2,102		455,529
-	-	-		108,104
138	132,518	13,583		240,055
-	-	-		34,966
138	132,518	13,583		383,125
(138)	83,124	(11,481)		72,404
-	1,020	-		1,020
-	1,020	-		1,020
(138)	84,144	(11,481)		73,424
(29)	624,215	27,126		868,102
\$ (167)	\$ 708,359	\$ 15,645	\$	941,526

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET POSITION
Enterprise Nonmajor Funds
JUNE 30, 2013

	Business Type Activities		
	Rural Sewer	Rural Water	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 95,282	\$ 146,840	\$ 242,122
Receivables:			
Accounts	30,281	8,916	39,197
Total Current Assets	125,563	155,756	281,319
Noncurrent Assets:			
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	1,901,574	719,192	2,620,766
Total Noncurrent Assets	1,901,574	719,192	2,620,766
Total Assets	2,027,137	874,948	2,902,085
LIABILITIES			
Accounts Payable	3,673	16	3,689
Accrued Interest Payable	1,713	-	1,713
Current Portion of General Obligation Bonds	80,000	-	80,000
Total Current Liabilities	85,386	16	85,402
Noncurrent Liabilities:			
Due in more than one year:			
General Obligation Bonds	447,587	-	447,587
Total Noncurrent Liabilities	447,587	-	447,587
Total Liabilities	532,973	16	532,989
NET POSITION			
Net Investment in Capital Assets	1,373,987	719,192	2,093,179
Unrestricted	120,177	155,740	275,917
Total Net Position	\$ 1,494,164	\$ 874,932	\$ 2,369,096

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Enterprise Nonmajor Funds
Year Ended June 30, 2013

	Business Type Activities		
	Rural Sewer	Rural Water	Total
Operating Revenues:			
Charges for Services	\$ 187,687	\$ 62,142	\$ 249,829
Operating Expenses:			
Contract Services	37,172	647	37,819
Repairs and Improvements	27,593	92	27,685
Utilities	2,555	-	2,555
Depreciation	128,739	66,729	195,468
Total Operating Expenses	196,059	67,468	263,527
Operating (Loss)	(8,372)	(5,326)	(13,698)
Non-Operating Income (Expenses):			
Interest Income	853	762	1,615
Interest Expense	(29,839)	-	(29,839)
Other Non-operating Income	1,431	-	1,431
Total Non-Operating Income	(27,555)	762	(26,793)
Change in Net Position	(35,927)	(4,564)	(40,491)
Net Position - Beginning	1,530,091	879,496	2,409,587
Net Position - Ending	\$ 1,494,164	\$ 874,932	\$ 2,369,096

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Enterprise Nonmajor Funds
Year Ended June 30, 2013

	Business Type Activities		
	Rural Sewer	Rural Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 186,716	\$ 61,554	\$ 248,270
Cash Paid to Suppliers for Goods and Services	(64,949)	(737)	(65,686)
Other Nonoperating Income	1,431	-	1,431
Net Cash Provided by Operating Activities	123,198	60,817	184,015
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on capital loan notes and bonds	(80,000)	-	(80,000)
Interest paid on capital loan bonds and notes	(23,538)	-	(23,538)
Net Cash (Used) for Capital and Related Financing Activities	(103,538)	-	(103,538)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	894	813	1,707
Net Increase in Cash and Cash Equivalents	20,554	61,630	82,184
Cash and Cash Equivalents at Beginning of Year	74,728	85,210	159,938
Cash and Cash Equivalents at End of Year	\$ 95,282	\$ 146,840	\$ 242,122
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net Operating (Loss)	\$ (8,372)	\$ (5,326)	\$ (13,698)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	128,739	66,729	195,468
Miscellaneous Non-Operating Income	1,431	-	1,431
(Increase) Decrease in Assets:			
Accounts Receivable	(971)	(588)	(1,559)
Increase (Decrease) in Liabilities:			
Accounts Payable	2,371	2	2,373
Total Adjustments	131,570	66,143	197,713
Net Cash Provided by Operating Activities	\$ 123,198	\$ 60,817	\$ 184,015

COUNTY OF BLACK HAWK, IOWA
Combining Statement of Net Position
Internal Service Funds
JUNE 30, 2013

ASSETS

Current Assets

Cash and Pooled Investments

Receivables:

Accounts Receivable

Total Assets

Health Insurance	Self-Insurance	Office Equipment	Total
\$ 7,068,194	\$ 743,787	\$ 63,596	\$7,875,577
32,550	1,243	-	33,793
7,100,744	745,030	63,596	7,909,370

LIABILITIES

Current Liabilities

Accounts Payable

Accrued Claims

Total Current Liabilities

Total Liabilities

6,555	-	-	6,555
899,699	90,236	-	989,935
906,254	90,236	-	996,490
906,254	90,236	-	996,490

NET POSITION

Unrestricted

\$ 6,194,490	\$ 654,794	\$ 63,596	\$6,912,880
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COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Internal Service Funds
 Year Ended June 30, 2013

	Health Insurance	Self-Insurance	Office Equipment	Total
Operating revenues:				
Charges for services to operating funds	\$ 6,043,023	\$ 352,093		\$6,395,116
Total operating revenue	<u>6,043,023</u>	<u>352,093</u>	<u>-</u>	<u>6,395,116</u>
Operating expenses:				
Contract Services	6,771,366	132,222	9,930	6,913,518
Total operating expenses	<u>6,771,366</u>	<u>132,222</u>	<u>9,930</u>	<u>6,913,518</u>
Operating income	(728,343)	219,871	(9,930)	(518,402)
Nonoperating income:				
Revenues and Interest on investments	48,586	3,412	460	52,458
Change in Net Position	(679,757)	223,283	(9,470)	(465,944)
Net position- beginning	<u>6,874,247</u>	<u>431,511</u>	<u>73,066</u>	<u>7,378,824</u>
Net position - ending	<u>\$ 6,194,490</u>	<u>\$ 654,794</u>	<u>\$ 63,596</u>	<u>\$6,912,880</u>

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
Year Ended June 30, 2013

	Health Insurance	Self-Insurance	Office Equipment	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 6,036,835	\$ 350,850	\$ -	\$ 6,387,685
Cash paid for claims and administrative provider	(6,642,723)	(91,377)	-	(6,734,100)
Cash paid to suppliers for services	-	-	(9,930)	(9,930)
Net cash provided (used) by operating activities	(605,888)	259,473	(9,930)	(356,345)
Cash flows from investing activities:				
Interest on investments	53,039	3,650	502	57,191
Net increase (decrease) in cash and cash equivalents	(552,849)	263,123	(9,428)	(299,154)
Cash and pooled investments - beginning of year	7,621,043	480,664	73,024	8,174,731
Cash and pooled investments - end of year	<u>\$ 7,068,194</u>	<u>\$ 743,787</u>	<u>\$ 63,596</u>	<u>\$ 7,875,577</u>
 Reconciliation of operating income (loss) to net cash provided (used) in operating activities:				
Operating income (loss)	<u>\$ (728,343)</u>	<u>\$ 219,871</u>	<u>\$ (9,930)</u>	<u>\$ (518,402)</u>
 Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
(Increase) Decrease in Assets:				
Accounts receivable	(6,188)	(1,243)	-	(7,431)
Increase (Decrease) in Liabilities:				
Accounts payable	2,002	-	-	2,002
Claims payable	126,641	40,845	-	167,486
Net cash provided (used) from operating activities	<u>\$ (605,888)</u>	<u>\$ 259,473</u>	<u>\$ (9,930)</u>	<u>\$ (356,345)</u>

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2013

	Balance July 1, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
County Offices Fund				
Assets				
Cash and Pooled Investments	\$ 634,883	\$ 380,218	\$ 634,883	\$ 380,218
Property Tax and Other Receivables	2,300	7,799	2,299	7,800
Total Assets	<u>637,183</u>	<u>388,017</u>	<u>637,182</u>	<u>388,018</u>
Liabilities				
Trust Payable	389,584	343,393	389,584	343,393
Due to Other Governments	247,599	44,624	247,598	44,625
Total Liabilities	<u>637,183</u>	<u>388,017</u>	<u>637,182</u>	<u>388,018</u>
Agricultural Extension Education				
Assets				
Cash and Pooled Investments	3,663	436,855	435,891	4,627
Property Tax and Other Recivables	427,901	447,414	427,901	447,414
Total Assets	<u>431,564</u>	<u>884,269</u>	<u>863,792</u>	<u>452,041</u>
Liabilities				
Due to Other Governments	431,564	456,368	435,891	452,041
Total Liabilities	<u>431,564</u>	<u>456,368</u>	<u>435,891</u>	<u>452,041</u>
County Assessor Fund				
Assets				
Cash and Pooled Investments	1,126,076	1,781,004	1,549,480	1,357,600
Property Tax and Other Receivable	1,324,684	1,618,320	1,324,684	1,618,320
Total Assets	<u>2,450,760</u>	<u>3,399,324</u>	<u>2,874,164</u>	<u>2,975,920</u>
Liabilities				
Accounts Payable	14,890	222,454	14,889	222,455
Due to Other Governments	2,435,870	2,753,459	2,435,864	2,753,465
Total Liabilities	<u>2,450,760</u>	<u>2,975,913</u>	<u>2,450,753</u>	<u>2,975,920</u>
Schools Taxing District Fund				
Assets				
Cash and Pooled Investments	668,105	71,543,609	71,449,273	762,441
Property Tax and Other Receivable	70,096,043	73,041,896	70,096,043	73,041,896
Total Assets	<u>70,764,148</u>	<u>144,585,505</u>	<u>141,545,316</u>	<u>73,804,337</u>
Liabilities				
Due to Other Governments	70,764,148	74,489,462	71,449,273	73,804,337
Total Liabilities	<u>\$ 70,764,148</u>	<u>\$ 74,489,462</u>	<u>\$ 71,449,273</u>	<u>\$ 73,804,337</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2013

	Balance July 1, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
Community College Taxing District				
Assets				
Cash and Pooled Investments	\$ 42,368	\$ 4,760,618	\$ 4,753,078	\$ 49,908
Property Tax and Other Receivable	4,666,612	4,796,154	4,666,611	4,796,155
Total Asset	<u>4,708,980</u>	<u>9,556,772</u>	<u>9,419,689</u>	<u>4,846,063</u>
Liabilities				
Due to Other Governments	4,708,980	4,890,161	4,753,078	4,846,063
Total Liabilities	<u>4,708,980</u>	<u>4,890,161</u>	<u>4,753,078</u>	<u>4,846,063</u>
Corporations Taxing District Fund				
Assets				
Cash and Pooled Investments	783,607	77,802,609	77,867,241	718,975
Property Tax and Other Receivable	76,627,648	72,068,858	76,627,647	72,068,859
Total Assets	<u>77,411,255</u>	<u>149,871,467</u>	<u>154,494,888</u>	<u>72,787,834</u>
Liabilities				
Due to Other Governments	77,411,255	73,243,820	77,867,241	72,787,834
Total Liabilities	<u>77,411,255</u>	<u>73,243,820</u>	<u>77,867,241</u>	<u>72,787,834</u>
City Special Assessments Fund				
Assets				
Cash and Pooled Investments	51,779	269,233	294,861	26,151
Property Tax and Other Receivable	113,374	142,206	113,374	142,206
Total Assets	<u>165,153</u>	<u>411,439</u>	<u>408,235</u>	<u>168,357</u>
Liabilities				
Due to Other Governments	165,153	298,065	294,861	168,357
Total Liabilities	<u>\$ 165,153</u>	<u>\$ 298,065</u>	<u>\$ 294,861</u>	<u>\$ 168,357</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2013

	Balance July 1, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
Auto License and Use Tax Fund				
Assets				
Cash and Pooled Investments	\$ 2,581,495	\$ 33,064,798	\$ 32,909,721	\$ 2,736,572
Property Tax and Other Receivable	142,432	-	142,432	-
Total Assets	<u>2,723,927</u>	<u>33,064,798</u>	<u>33,052,153</u>	<u>2,736,572</u>
Liabilities				
Due to Other Governments	<u>2,723,927</u>	<u>32,922,365</u>	<u>32,909,720</u>	<u>2,736,572</u>
Total Liabilities	<u>2,723,927</u>	<u>32,922,365</u>	<u>32,909,720</u>	<u>2,736,572</u>
Other Funds				
Assets				
Cash and Pooled Investments	1,340,899	5,979,094	6,219,922	1,100,071
Property Tax and Other Receivable	579,207	620,854	579,206	620,855
Total Assets	<u>1,920,106</u>	<u>6,599,948</u>	<u>6,799,128</u>	<u>1,720,926</u>
Liabilities				
Trust Payable	766,614	4,014,287	4,173,070	607,831
Accounts Payable and Accrued Liabilities	96,294	37,962	46,292	87,964
Due to Other Governments	1,057,198	1,144,269	1,176,336	1,025,131
Total Liabilities	<u>\$ 1,920,106</u>	<u>\$ 5,196,518</u>	<u>\$ 5,395,698</u>	<u>\$ 1,720,926</u>

(Continued)

COUNTY OF BLACK HAWK, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2013

	Balance July 1, 2012	Addi- tions	Deduc- tions	Balance June 30, 2013
Total All Agency Funds				
<i>Assets</i>				
Cash and Pooled Investments	\$ 7,232,875	\$ 196,018,038	\$ 196,114,350	\$ 7,136,563
Property Tax and Other Receivable	153,980,201	152,743,501	153,980,197	152,743,505
Total Assets	<u>161,213,076</u>	<u>348,761,539</u>	<u>350,094,547</u>	<u>159,880,068</u>
<i>Liabilities</i>				
Accounts Payable	111,184	260,416	61,181	310,419
Due to Other Governments	159,945,694	190,242,593	191,569,862	158,618,425
Trusts Payable	1,156,198	4,357,680	4,562,654	951,224
Total Liabilities	<u>\$ 161,213,076</u>	<u>\$ 194,860,689</u>	<u>\$ 196,193,697</u>	<u>\$ 159,880,068</u>

Black Hawk County, Iowa

Statistical Section

Contents

The statistical section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	74
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax (or sales tax).	88
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	95
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	100
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	103

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Black Hawk County, Iowa

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year		
	2004	2005	2006
Governmental activities:			
Net investment in capital assets	\$ 35,228,458	\$ 37,693,275	\$ 41,703,511
Restricted	9,612,277	1,798,441	7,517,884
Unrestricted	(162,376)	9,368,982	4,471,819
Total governmental activities net position	\$ 44,678,359	\$ 48,860,698	\$ 53,693,214
Business-type activities:			
Net investment in capital assets	\$ 2,583,887	\$ 2,522,274	\$ 2,449,044
Restricted	-	-	-
Unrestricted	441,743	413,494	420,879
Total business-type activities net position	\$ 3,025,630	\$ 2,935,768	\$ 2,869,923
Primary government:			
Net investment in capital assets	\$ 37,812,345	\$ 40,215,549	\$ 44,152,555
Restricted	9,612,277	1,798,441	7,517,884
Unrestricted	279,367	9,782,476	4,892,698
Total primary government net position	\$ 47,703,989	\$ 51,796,466	\$ 56,563,137

Source: County records

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$ 44,413,745	\$ 46,981,577	\$ 49,946,957	\$ 55,621,608	\$ 52,154,674	\$ 55,310,782	\$ 58,892,665
6,502,517	6,350,678	10,351,227	6,790,101	13,742,221	12,135,498	14,426,349
5,949,336	10,807,901	12,996,278	12,239,242	14,958,730	16,229,395	15,124,220
<u>\$ 56,865,598</u>	<u>\$ 64,140,156</u>	<u>\$ 73,294,462</u>	<u>\$ 74,650,951</u>	<u>\$ 80,855,625</u>	<u>\$ 83,675,675</u>	<u>\$ 88,443,234</u>
\$ 1,438,878	\$ 1,461,863	\$ 2,277,715	\$ 2,251,494	\$ 5,369,297	\$ 4,600,839	\$ 4,370,375
953,156	873,765	-	-	-	-	-
408,493	324,739	325,564	283,836	1,181,802	2,681,600	2,626,223
<u>\$ 2,800,527</u>	<u>\$ 2,660,367</u>	<u>\$ 2,603,279</u>	<u>\$ 2,535,330</u>	<u>\$ 6,551,099</u>	<u>\$ 7,282,439</u>	<u>\$ 6,996,598</u>
\$ 45,852,623	\$ 48,443,440	\$ 52,224,672	\$ 57,873,102	\$ 57,523,971	\$ 59,911,621	\$ 63,263,040
7,455,673	7,224,443	10,351,227	6,790,101	13,742,221	12,135,498	14,426,349
6,357,829	11,132,640	13,321,842	12,523,078	16,140,532	18,910,995	17,750,443
<u>\$ 59,666,125</u>	<u>\$ 66,800,523</u>	<u>\$ 75,897,741</u>	<u>\$ 77,186,281</u>	<u>\$ 87,406,724</u>	<u>\$ 90,958,114</u>	<u>\$ 95,439,832</u>

Black Hawk County, Iowa

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2004	2005	2006
Expenses:			
Governmental activities:			
Public safety and legal services	\$ 15,086,366	\$ 14,902,387	\$ 15,997,089
Physical health and social services	9,612,529	9,340,367	10,331,387
Mental health	19,056,283	19,594,365	20,128,555
County environment and education	3,236,159	2,253,945	2,315,684
Roads and transportation	5,006,474	4,172,656	5,731,706
Governmental services to residents	1,402,273	1,459,390	1,501,746
Administration	5,033,561	4,764,053	4,773,716
Nonprogram	343,994	-	-
Interest on long-term debt	506,881	448,283	433,064
Total governmental activities expenses	59,284,520	56,935,446	61,212,947
Business-type activities:			
Rural sewer	229,922	237,628	229,229
Rural water	143,930	84,261	93,589
Country View Care Facility*	-	-	-
Total business-type activities expenses	373,852	321,889	322,818
Total government expenses	\$ 59,658,372	\$ 57,257,335	\$ 61,535,765
Program revenues:			
Governmental activities:			
Charges for services:			
Public safety and legal services	\$ 1,280,802	\$ 713,135	\$ 872,871
Physical health and social services	3,420,811	1,178,374	1,419,539
Mental health	6,324,842	1,404,823	1,453,995
County environment and education	550,967	424,511	412,542
Roads and transportation	201,955	4,096	3,957
Governmental services to residents	1,915,475	1,786,679	1,813,549
Administration	756,928	721,527	858,011
Nonprogram	340,916	-	-
Operating grants and contributions	15,022,972	22,089,424	23,594,453
Capital grants and contributions	1,889,661	1,914,812	3,213,418
Total governmental activities program revenues	31,705,329	30,237,381	33,642,335
Business-type activities:			
Charges for services:			
Rural sewer	161,924	141,156	179,670
Rural water	98,438	88,742	73,934
Country View Care Facility*	-	-	-
Operating grants and contributions	-	-	-
Total business-type activities program revenues	260,362	229,898	253,604
Total government program revenues	\$ 31,965,691	\$ 30,467,279	\$ 33,895,939

(Continued)

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$ 14,899,182	\$ 15,213,200	\$ 15,871,852	\$ 16,737,313	\$ 17,708,648	\$ 17,614,051	\$ 18,156,232
10,640,808	10,942,877	12,192,983	11,695,480	8,344,752	7,711,949	7,871,355
21,030,553	21,301,854	19,914,329	20,535,742	2,874,676	9,248,329	5,567,395
2,908,155	2,404,401	5,871,685	4,460,783	4,554,435	3,619,566	4,792,164
5,895,167	6,738,742	7,305,032	6,983,934	7,761,476	8,057,683	8,997,547
1,534,397	1,836,987	2,515,000	2,131,600	1,563,909	1,626,233	1,765,826
5,020,133	5,274,253	5,463,590	5,767,744	5,253,070	5,159,646	5,837,436
-	-	-	-	-	-	-
422,793	453,455	1,020,416	1,226,964	1,371,330	1,518,393	1,402,736
62,351,188	64,165,769	70,154,887	69,539,560	49,432,296	54,555,850	54,390,691
292,510	324,573	276,608	248,272	253,880	238,802	225,898
86,273	82,386	81,838	78,045	90,506	82,222	67,468
-	-	-	-	11,096,457	11,606,877	12,308,641
378,783	406,959	358,446	326,317	11,440,843	11,927,901	12,602,007
\$ 62,729,971	\$ 64,572,728	\$ 70,513,333	\$ 69,865,877	\$ 60,873,139	\$ 66,483,751	\$ 66,992,698
\$ 843,694	\$ 901,593	\$ 933,657	\$ 1,037,347	\$ 2,237,579	\$ 2,337,436	\$ 2,347,199
1,427,374	1,401,837	1,418,603	1,479,510	1,018,620	998,478	1,126,233
1,464,696	1,686,870	1,818,427	1,760,556	58,210	48,814	37,029
470,176	525,109	500,511	491,836	557,394	633,515	674,546
3,835	6,167	5,922	5,989	13,389	24,913	43,123
1,760,240	1,672,055	1,636,723	1,712,826	1,769,692	1,881,925	2,046,771
918,388	865,750	750,314	936,159	691,587	964,040	624,934
-	-	-	-	-	-	-
24,172,120	26,083,543	32,506,243	25,737,204	11,149,510	10,539,342	10,324,098
1,419,484	2,444,339	3,616,441	1,481,509	4,672,902	3,548,186	5,065,574
32,480,007	35,587,263	43,186,841	34,642,936	22,168,883	20,976,649	22,289,507
190,289	165,970	200,579	198,287	188,650	206,923	187,687
87,325	63,024	64,513	59,659	62,483	56,928	62,142
-	-	-	-	13,271,064	12,303,826	11,940,324
20,704	2,761	-	-	-	-	46,168
298,318	231,755	265,092	257,946	13,522,197	12,567,677	12,236,321
\$ 32,778,325	\$ 35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326	\$ 34,525,828

Black Hawk County, Iowa

Changes in Net Position (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2004	2005	2006
Net (expense)/revenue:			
Governmental activities	\$ (27,931,804)	\$ (26,698,065)	\$ (27,570,612)
Business-type activities	(113,490)	(91,991)	(69,214)
Total government net expense	\$ (28,045,294)	\$ (26,790,056)	\$ (27,639,826)
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	\$ 24,184,410	\$ 24,159,740	\$ 25,330,735
Other taxes	2,333,081	3,444,459	3,601,967
State tax replacement credits	1,212,641	1,151,699	1,179,717
Unrestricted grants and contributions	38,850	-	-
Investment earnings	467,567	681,081	1,069,135
Gain on disposal of capital assets	16,443	-	18,803
Miscellaneous	38,936	1,443,425	1,202,771
Total governmental activities	28,291,928	30,880,404	32,403,128
Business-type activities:			
Unrestricted grants and contributions	95,000	-	-
Investment earnings	5,840	2,129	3,369
Miscellaneous	-	-	-
Total business-type activities	100,840	2,129	3,369
Total government	\$ 28,392,768	\$ 30,882,533	\$ 32,406,497
Change in net position:			
Governmental activities	\$ 712,737	\$ 4,182,339	\$ 4,832,516
Business-type activities	(12,650)	(89,862)	(65,845)
Total primary government	\$ 700,087	\$ 4,092,477	\$ 4,766,671

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$ (29,871,181)	\$ (28,578,506)	\$ (26,968,046)	\$ (34,896,624)	\$ (27,263,413)	\$ (33,579,201)	\$ (32,101,184)
(80,465)	(175,204)	(93,354)	(68,371)	2,081,354	639,776	(365,686)
\$ (29,951,646)	\$ (28,753,710)	\$ (27,061,400)	\$ (34,964,995)	\$ (25,182,059)	\$ (32,939,425)	\$ (32,466,870)
\$ 25,487,836	\$ 25,967,840	\$ 27,593,677	\$ 28,083,985	\$ 29,656,058	\$ 30,719,060	\$ 31,446,791
3,482,384	4,139,438	4,358,516	4,352,102	3,587,407	3,785,891	3,628,660
1,145,229	1,102,343	1,082,828	1,122,280	875,035	864,425	996,825
-	-	-	-	-	-	-
1,605,979	1,372,116	1,198,968	914,311	605,731	341,262	390,127
-	-	-	-	12,481	40,207	105,782
1,322,137	3,271,327	1,888,363	1,780,435	586,432	658,450	564,567
33,043,565	35,853,064	36,122,352	36,253,113	35,323,144	36,409,295	37,132,752
-	-	-	-	20,748	-	-
5,796	35,044	36,266	422	2,170	1,765	1,615
5,273	-	-	-	56,440	79,755	78,230
11,069	35,044	36,266	422	79,358	81,520	79,845
\$ 33,054,634	\$ 35,888,108	\$ 36,158,618	\$ 36,253,535	\$ 35,402,502	\$ 36,490,815	\$ 37,212,597
\$ 3,172,384	\$ 7,274,558	\$ 9,154,306	\$ 1,356,489	\$ 8,059,731	\$ 2,830,094	\$ 5,031,568
(69,396)	(140,160)	(57,088)	(67,949)	2,160,712	721,296	(285,841)
\$ 3,102,988	\$ 7,134,398	\$ 9,097,218	\$ 1,288,540	\$ 10,220,443	\$ 3,551,390	\$ 4,745,727

Black Hawk County, Iowa

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
General Fund:				
Reserved	\$ 1,510,314	\$ 1,803,573	\$ 2,503,998	\$ 3,014,288
Unreserved	2,752,442	3,544,707	3,659,487	4,418,391
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total General Fund	\$ 4,262,756	\$ 5,348,280	\$ 6,163,485	\$ 7,432,679
All other governmental funds:				
Reserved	685,309	869,962	2,651,862	2,889,269
Unreserved for:				
Special Revenue Fund	6,595,798	6,415,129	5,744,807	3,915,859
Capital Projects Fund	963,285	236,745	(39,861)	35,927
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total All Other Government Funds	\$ 8,244,392	\$ 7,521,836	\$ 8,356,808	\$ 6,841,055
Total Government Funds				
Reserved	2,195,623	2,673,535	5,155,860	5,903,557
Unreserved for:				
General Fund	2,752,442	3,544,707	3,659,487	4,418,391
Special Revenue Fund	6,595,798	6,415,129	5,744,807	3,915,859
Capital Projects Fund	963,285	236,745	(39,861)	35,927
Nonspendable ¹	-	-	-	-
Restricted ¹	-	-	-	-
Committed ¹	-	-	-	-
Assigned ¹	-	-	-	-
Unassigned ¹	-	-	-	-
Total Government Funds	\$ 12,507,148	\$ 12,870,116	\$ 14,520,293	\$ 14,273,734

(1) The County implemented GASB 54 in FY2011, which changed fund balance classifications for periods beginning after June 15, 2010.

Source: County records

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 3,014,288	\$ 3,849,541	\$ 3,230,289	\$ -	\$ -	\$ -	
7,993,680	7,023,597	7,009,230	-	-	-	
-	-	-	-	-	36,089	
-	-	-	3,973,689	4,338,973	4,595,183	
-	-	-	905,202	424,083	376,858	
-	-	-	-	-	-	
-	-	-	6,889,135	8,666,837	9,931,736	
<u>\$ 11,007,968</u>	<u>\$ 10,873,138</u>	<u>\$ 10,239,519</u>	<u>\$ 11,768,026</u>	<u>\$ 13,429,893</u>	<u>\$ 14,939,866</u>	
14,316,183	8,042,035	10,061,865	-	-	-	
-	-	-	-	-	-	
4,253,897	6,526,298	3,807,069	-	-	-	
12,789	(297,364)	(432,789)	-	-	-	
-	-	-	350,881	363,567	376,686	
-	-	-	27,151,125	14,199,768	11,489,189	
-	-	-	-	-	-	
-	-	-	26,076	27,126	15,645	
-	-	-	-	-	(167)	
<u>\$ 18,582,869</u>	<u>\$ 14,270,969</u>	<u>\$ 13,436,145</u>	<u>\$ 27,528,082</u>	<u>\$ 14,590,461</u>	<u>\$ 11,881,353</u>	
17,330,471	11,891,576	13,292,154	-	-	-	
7,993,680	7,023,597	7,009,230	-	-	-	
4,253,897	6,526,298	3,807,069	-	-	-	
12,789	(297,364)	(432,789)	-	-	-	
-	-	-	350,881	363,567	412,775	
-	-	-	31,124,814	18,538,741	16,084,372	
-	-	-	905,202	424,083	376,858	
-	-	-	26,076	27,126	15,645	
-	-	-	6,889,135	8,666,837	9,931,569	
<u>\$ 29,590,837</u>	<u>\$ 25,144,107</u>	<u>\$ 23,675,664</u>	<u>\$ 39,296,108</u>	<u>\$ 28,020,354</u>	<u>\$ 26,821,219</u>	

Black Hawk County, Iowa

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2004	2005	2006	2007
Revenues:				
Property and other County tax	\$ 26,515,030	\$ 27,604,199	\$ 28,548,171	\$ 28,940,081
Interest and penalty on property tax	311,147	322,842	345,844	359,860
Intergovernmental	23,937,462	25,455,131	24,895,285	25,832,554
Licenses and permits	355,781	366,377	359,161	357,952
Charges for service	4,843,972	5,430,239	5,912,720	5,916,816
Use of money and property	774,126	892,949	1,185,643	1,588,001
Miscellaneous	1,103,945	1,226,929	1,074,547	1,437,258
Total revenues	57,841,463	61,298,666	62,321,371	64,432,522
Expenditures:				
Public safety and legal services	14,477,334	14,915,737	15,177,369	14,644,919
Physical health and social services	9,430,765	9,325,786	10,356,702	10,700,336
Mental health	18,883,439	19,720,045	20,236,700	21,172,522
County environment and education	1,890,308	2,381,472	2,242,623	2,769,241
Roads and transportation	3,757,121	4,387,687	4,312,500	4,320,351
Governmental services to residents	1,383,953	1,512,553	1,492,111	1,525,049
Administration	4,914,851	4,541,497	4,604,180	4,925,462
Debt service:				
Interest	493,750	449,919	430,187	429,266
Principal	2,427,027	2,370,000	2,317,182	2,103,093
Debt issuance costs	-	-	51,241	23,112
Capital projects	4,214,097	1,667,820	2,367,104	3,569,460
Total expenditures	61,872,645	61,272,516	63,587,899	66,182,811
Excess of revenues over (under) expenditures	(4,031,182)	26,150	(1,266,528)	(1,750,289)
Other financing sources (uses):				
Proceeds from the sale of land and capital assets	1,470	3,818	76,751	3,530
Transfers in	1,807,392	1,635,204	1,624,082	1,701,065
Transfers out	(1,807,392)	(1,635,204)	(1,749,082)	(1,701,065)
Deferred payment contract	-	-	-	-
Repayments of advances from other funds	-	-	-	-
General obligation bonds and notes issued	3,035,000	-	2,980,000	2,010,000
Redemption of refunded bonds	-	-	-	(500,000)
Discount on general obligation bonds and notes	(17,810)	-	(15,046)	(9,800)
Premiums on Bonds Issued	-	-	-	-
Insurance proceeds	-	-	-	-
Payments received on capital lease receivable	-	-	-	-
Lease income	-	333,000	-	-
Capital lease purchase refunding	(524,853)	-	-	-
Total other financing sources (uses)	2,493,807	336,818	2,916,705	1,503,730
Net change in fund balances	\$ (1,537,375)	\$ 362,968	\$ 1,650,177	\$ (246,559)
Debt service as % of noncapital expenditures	5.07%	4.73%	4.49%	4.04%

Source: County records

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 30,128,426	\$ 31,932,977	\$ 32,268,714	\$ 32,978,105	\$ 34,201,174	\$ 34,721,423
501,651	404,936	410,634	390,102	394,076	388,657
27,337,150	33,107,903	26,983,363	15,642,743	13,112,737	15,879,589
503,428	494,664	485,311	495,724	491,139	501,326
5,966,101	6,133,983	6,444,766	4,384,639	4,588,753	4,993,451
1,347,329	1,175,036	1,492,422	1,081,883	730,816	751,108
1,526,478	1,628,863	1,822,656	1,945,529	2,120,679	1,981,607
67,310,563	74,878,362	69,907,866	56,918,725	55,639,374	59,217,161
15,147,782	16,202,010	17,080,739	17,456,467	17,484,855	17,607,744
11,133,191	12,443,549	11,901,238	8,209,118	7,654,874	7,869,190
21,699,357	20,469,347	21,254,887	2,872,865	9,246,928	5,562,162
2,366,295	6,210,048	4,971,752	5,911,886	4,133,703	7,403,138
5,199,582	5,740,813	5,099,989	5,559,563	6,297,386	5,861,318
1,519,451	1,846,197	1,729,895	1,501,987	1,562,243	1,705,478
5,134,223	5,295,627	5,506,549	5,541,663	5,092,556	4,845,504
415,697	1,009,945	1,192,563	1,275,881	1,472,757	1,371,981
2,322,725	3,300,126	3,965,776	3,046,508	4,112,334	4,698,264
69,904	76,995	43,145	100,714	51,568	32,273
2,015,652	11,560,272	6,931,728	8,726,249	12,100,276	5,577,646
67,023,859	84,154,929	79,678,261	60,202,901	69,209,480	62,534,698
286,704	(9,276,567)	(9,770,395)	(3,284,176)	(13,570,106)	(3,317,537)
1,506,229	1,023	55,649	-	30,240	37,883
1,860,555	1,991,922	2,083,911	2,129,046	2,517,777	3,306,530
(1,860,555)	(1,991,922)	(2,083,911)	(2,222,768)	(2,517,777)	(3,306,530)
-	-	-	-	-	-
-	-	-	-	-	-
13,260,000	3,863,600	8,290,000	18,905,000	3,080,000	2,000,000
-	-	-	-	(820,000)	-
(74,315)	(30,400)	(66,320)	(88,301)	(6,468)	-
-	-	-	181,643	-	80,548
338,485	283,305	22,623	-	10,551	-
-	712,309	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,030,399	4,829,837	8,301,952	18,904,620	2,294,323	2,118,431
\$ 15,317,103	\$ (4,446,730)	\$ (1,468,443)	\$ 15,620,444	\$ (11,275,783)	\$ (1,199,106)
4.21%	5.94%	7.09%	8.40%	9.78%	11.50%

Black Hawk County, Iowa

Program Revenues by Function/Program

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function / Program	Fiscal Year		
	2004	2005	2006
Governmental activities:			
Public safety and legal services	\$ 3,526,059	\$ 3,215,931	\$ 3,595,716
Physical health and social services	5,748,433	4,980,027	5,580,813
Mental health	12,686,421	13,204,719	14,093,443
County environment and education	826,226	725,917	626,765
Roads and transportation	4,838,983	5,063,526	6,344,156
Governmental services to residents	1,937,386	1,829,095	2,057,134
Administration	1,494,806	1,218,166	1,344,308
Nonprogram	340,916	-	-
Interest on long-term debt	306,099	-	-
Total governmental activities	31,705,329	30,237,381	33,642,335
Business-type activities:			
Rural sewer	161,924	141,156	179,670
Rural water	98,438	88,742	73,934
Country View Care Facility*	-	-	-
Total business-type activities	260,362	229,898	253,604
Total government	\$ 31,965,691	\$ 30,467,279	\$ 33,895,939

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$ 2,672,347	\$ 2,817,366	\$ 3,025,628	\$ 2,935,329	\$ 4,596,276	\$ 4,543,611	\$ 4,644,341
5,734,785	6,578,669	8,489,683	7,356,412	4,360,327	4,193,830	4,235,862
15,529,395	16,389,743	17,201,625	12,586,504	561,339	506,910	539,902
783,596	861,542	3,655,514	2,555,491	4,592,852	2,536,371	5,794,947
4,506,350	5,778,396	7,326,096	4,529,550	4,476,977	5,522,567	3,847,359
1,789,887	1,771,488	1,724,611	2,107,594	1,793,214	1,967,223	2,046,771
1,463,647	1,390,059	1,763,684	2,572,056	1,787,898	1,706,137	1,180,325
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32,480,007	35,587,263	43,186,841	34,642,936	22,168,883	20,976,649	22,289,507
210,993	168,731	200,579	198,287	188,650	206,923	187,687
87,325	63,024	64,513	59,659	62,483	56,928	62,142
-	-	-	-	13,271,064	12,303,826	11,986,492
298,318	231,755	265,092	257,946	13,522,197	12,567,677	12,236,321
\$ 32,778,325	\$ 35,819,018	\$ 43,451,933	\$ 34,900,882	\$ 35,691,080	\$ 33,544,326	\$ 34,525,828

Black Hawk County, Iowa

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2004	\$ 23,113,925	\$ 2,333,080	\$ 976,088	\$ 91,937	\$ 26,515,030
2005	24,159,740	2,411,109	921,881	111,469	27,604,199
2006	24,942,457	2,605,674	904,326	95,714	28,548,171
2007	25,438,232	2,496,495	887,759	102,773	28,940,081
2008	25,954,609	2,787,561	869,608	516,648	30,128,426
2009	27,574,461	2,896,574	964,312	497,630	31,932,977
2010	28,046,535	2,773,380	950,249	498,550	32,268,714
2011	28,571,374	2,924,158	915,122	507,099	32,917,753
2012	29,723,661	2,972,672	976,129	526,780	34,199,242
2013	30,442,122	2,807,922	923,183	548,196	34,721,423
Change 2004-2013	31.70%	20.35%	-5.42%	496.27%	30.95%

Source: County records

Black Hawk County, Iowa

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property	TIF Property	Other Property	Less: Military Tax-Exempt Property	Total Taxable Assessed Property	Total Direct Tax Rate Urban
2004	\$ 1,788,705	\$ 870,636	\$ 119,968	\$ 295,557	\$ 146,650	\$ 199,469	\$ 16,054	\$ 3,404,931	\$ 7.75
2005	1,933,806	1,009,717	117,602	233,745	202,216	195,247	15,259	3,677,074	7.49
2006	1,953,383	1,018,912	119,013	234,112	213,333	187,134	14,650	3,711,237	7.61
2007	2,076,900	1,045,299	123,095	249,026	268,567	191,819	14,577	3,940,129	7.39
2008	2,123,552	1,061,673	122,062	249,456	284,869	182,634	14,279	4,009,967	7.41
2009	2,263,853	1,180,234	117,722	259,931	347,247	198,667	15,283	4,352,371	6.94
2010	2,405,460	1,193,974	119,012	273,699	383,558	206,079	14,975	4,566,807	6.71
2011	2,502,546	1,186,978	120,459	274,346	416,892	208,213	13,403	4,696,031	6.67
2012	2,642,989	1,200,554	118,995	286,322	419,779	215,751	13,031	4,871,360	6.60
2013	2,890,123	1,285,937	147,273	292,825	458,530	213,032	12,650	5,275,071	6.24

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Note: Property is assessed at actual value; therefore, the assessed values are equal to the actual value.

Tax rates are per \$1,000 of assessed value.

Black Hawk County, Iowa

Principal Property Taxpayers Current Year and Nine Years Ago (dollars in thousands) (Unaudited)

Taxpayer	2004			2013		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	\$ 119,682	1	3.67%	\$ 178,955	1	3.71%
Qwest Corporation	39,384	2	1.21	31,420	7	0.65
College Square Mall Partners, LLC	29,994	3	0.92	30,225	8	0.63
Deere and Company	27,331	4	0.84	59,680	4	1.24
Equitable Life Assurance Soc.	25,780	5	0.79	-	-	-
Iowa Beef Pack Inc.	18,898	6	0.58	-	-	-
Northern Natural Gas Co.	16,074	7	0.49	24,213	10	0.50
Target Corporation	12,342	8	0.38	98,043	2	2.03
Berth Cabinet Mfg, Inc.	12,018	9	0.37	-	-	-
Hunt Wesson, Inc.	3,603	10	0.11	-	-	-
Ferguson Enterprises, Inc.	-	-	-	-	-	-
U. S. West, Inc.	-	-	-	-	-	-
Con Agra	-	-	-	25,000	9	0.52
IOC Black Hawk County, Inc.	-	-	-	64,833	3	1.34
GG and A Crossroads Mall, LLC	-	-	-	37,126	6	0.77
R and N Investment Prop, LLC	-	-	-	-	-	-
Cedar Falls Utilities	-	-	-	50,982	5	1.06
Total	\$ 305,106		9.36%	\$ 600,477		12.45%

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Black Hawk County, Iowa

Property Tax Levies and Collections (cash basis) Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 121,510,800	\$ 121,323,365	99.85	\$ 70,297	\$ 121,393,662	99.90
2005	131,390,823	131,207,146	99.86	28,386	131,235,532	99.88
2006	135,805,464	135,584,839	99.84	34,737	135,619,576	99.86
2007	143,359,171	143,096,906	99.82	69,698	143,166,604	99.87
2008	146,299,165	145,909,251	99.73	137,703	146,046,954	99.83
2009	159,054,529	158,537,222	99.67	130,965	158,668,187	99.76
2010	164,871,504	164,582,136	99.82	81,946	164,664,082	99.87
2011	171,020,072	170,018,109	99.41	127,194	170,145,303	99.49
2012	175,786,426	175,378,631	99.77	94,705	175,473,336	99.82
2013	184,252,986	182,952,820	99.29	38,278	182,991,098	99.32

Total tax collection solely for Black Hawk County, Iowa:

2004	\$ 23,115,922
2005	23,998,146
2006	24,790,096
2007	25,313,302
2008	25,954,609
2009	27,547,914
2010	28,035,371
2011	28,578,595
2012	29,718,148
2013	30,430,730

Source: Black Hawk County, Treasurer's Office

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	Year Taxes are Payable			
	2004	2005	2006	2007
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.88	1.75	1.90	1.76
MH/DD Service	1.77	1.66	1.65	1.57
Debt Service	0.59	0.58	0.56	0.56
Total Urban County Rate	7.74	7.49	7.61	7.39
Rural Basic	-	0.34	0.32	0.28
Total Rural County Rate	7.74	7.83	7.93	7.67
City and Town Rates:				
Waterloo	18.91	18.79	19.16	18.85
Cedar Falls	14.40	13.65	14.05	13.84
Dunkerton	11.59	11.37	11.23	11.13
Elk Run Heights	6.40	6.40	6.30	6.00
Evansdale	7.26	7.50	7.50	6.83
Gilbertville	8.10	9.77	11.33	11.86
Hudson	7.63	9.73	9.73	9.73
Janesville	12.59	13.06	13.18	12.63
Jesup	12.74	12.42	14.50	13.12
LaPorte City	12.12	12.09	12.91	15.39
Raymond	6.42	6.70	6.70	6.90
Township Rates:				
Barclay	0.65	0.66	0.66	0.68
Bennington	0.56	0.58	0.58	0.56
Big Creek	0.59	0.67	0.63	0.60
Black Hawk	0.57	0.54	0.55	0.54
Cedar	0.55	0.58	0.59	0.52
Cedar Falls	0.58	0.58	0.58	0.57
Eagle	0.52	0.52	0.50	0.50
East Waterloo	-	-	0.15	0.17
Fox	0.41	0.60	0.31	0.38
Lester	0.64	0.69	0.70	0.70
Lincoln	0.54	0.56	0.55	0.58
Mt. Vernon	0.42	0.41	0.41	0.41
Orange	0.39	0.39	0.40	0.27
Poyner	0.61	0.63	0.67	0.67
Spring Creek	0.64	0.71	0.72	0.75
Union	0.67	0.64	0.61	0.64
Washington	0.42	0.41	0.41	0.39

(Continued)

Year Taxes are Payable					
2008	2009	2010	2011	2012	2013
3.50	3.50	3.50	3.50	3.50	3.50
1.77	1.42	1.26	1.39	1.14	0.90
1.55	1.44	1.37	1.34	1.29	1.20
0.58	0.58	0.58	0.44	0.67	0.64
7.41	6.94	6.71	6.67	6.60	6.24
0.25	2.79	2.86	2.88	3.00	3.15
7.66	9.72	9.57	9.55	9.59	9.39
18.77	18.37	18.31	18.26	18.53	18.21
13.61	13.26	13.02	12.99	12.86	12.20
8.45	8.10	8.10	8.43	8.58	8.50
6.00	6.00	6.00	6.01	6.01	6.01
6.75	6.74	6.75	6.88	6.88	6.88
12.46	11.54	11.25	12.27	11.09	10.58
9.73	9.73	9.73	9.73	9.73	9.73
12.50	12.40	12.26	12.08	11.68	11.60
12.62	12.55	13.00	13.95	14.78	14.77
14.91	14.91	14.55	14.54	14.51	14.51
6.90	6.90	6.90	6.90	6.92	6.92
0.46	0.44	0.36	0.34	0.33	0.54
0.56	0.56	0.55	0.55	0.56	0.55
0.61	0.58	0.55	0.57	0.50	0.45
0.54	0.53	0.57	0.57	0.49	0.51
0.53	0.57	0.56	0.58	0.56	0.53
0.58	0.58	0.56	0.56	0.57	0.55
0.55	0.54	0.52	0.47	0.63	0.49
0.17	0.16	0.16	0.16	0.14	0.12
0.39	0.26	0.21	0.26	0.31	0.39
0.70	0.69	0.65	0.69	0.67	0.64
0.59	0.59	0.62	0.61	0.70	0.63
0.41	0.41	0.41	0.41	0.42	0.04
0.28	0.38	0.34	0.35	0.36	0.40
0.67	0.66	0.76	0.66	0.63	0.64
0.76	0.74	0.74	0.69	0.77	0.72
0.63	0.68	0.61	0.68	0.74	0.62
0.35	0.33	0.32	0.36	0.39	0.35

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

	2004	2005	2006	2007
School District Rates:				
Waterloo	15.85	15.62	15.99	16.33
Cedar Falls	13.91	13.01	13.03	13.02
Dunkerton	12.58	12.94	14.44	13.73
Elk Run Heights	15.85	15.62	15.99	16.33
Evansdale	15.85	15.62	15.99	16.33
Gilbertville	15.85	15.62	15.99	16.33
Hudson	14.18	15.63	15.11	15.53
Janesville	11.23	11.58	11.84	11.94
Jesup	10.83	11.32	11.37	11.46
LaPorte City	11.50	11.90	11.94	12.29
Raymond	15.85	15.62	15.99	16.33
Other:				
Hawkeye CC - Area VII	0.75	1.00	1.07	1.04
Kirkwood - Area X	0.68	0.67	0.65	0.87
Ag. Extension	0.05	0.04	0.04	0.04
Special Appraiser	0.08	0.07	0.06	0.01
Assessor	0.26	0.26	0.25	0.25

Source: Black Hawk County, Auditor's Office

Year Taxes are Payable					
2008	2009	2010	2011	2012	2013
16.75	16.66	16.46	16.44	16.28	15.80
13.13	13.73	13.73	14.15	13.79	13.38
14.02	14.10	13.86	15.94	16.00	15.99
16.75	16.66	16.46	16.44	16.28	15.80
16.75	16.66	16.46	16.44	16.28	15.80
16.75	16.66	16.46	16.44	16.28	15.80
15.96	15.98	15.88	16.90	16.89	16.49
11.83	11.82	12.22	11.84	12.33	13.03
11.62	11.76	11.78	11.92	12.94	12.94
12.50	12.68	12.57	12.71	12.70	12.07
16.75	16.66	16.46	16.44	16.28	15.80
0.83	1.00	0.93	1.00	0.96	0.96
0.86	0.85	0.84	0.93	1.00	1.08
0.08	0.08	0.08	0.08	0.09	0.09
0.03	0.06	0.08	0.09	0.02	-
0.24	0.22	0.24	0.22	0.21	0.28

Black Hawk County, Iowa

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Obligation Capital Loan Notes	Capital Lease Purchase Agreement	General Obligation Bonds	General Obligation Capital Loan Notes			
2004	\$ 11,505	\$ 1,850	\$ -	\$ 732	\$ 1,064	\$ 15,151	0.44	\$ 120.31
2005	9,725	1,260	333	650	1,025	12,993	0.35	103.06
2006	10,405	1,365	211	565	975	13,521	0.44	107.40
2007	10,155	1,125	108	1,450	920	13,758	0.34	109.10
2008	21,260	1,065	-	1,290	860	24,475	0.57	192.04
2009	22,040	790	58	1,130	-	24,018	0.54	190.46
2010	26,655	505	53	960	-	28,173	0.61	217.93
2011	42,605	420	46	790	-	43,861	0.92	334.59
2012	39,525	1,655	39	610	-	41,829	0.85	317.97
2013	37,250	1,240	31	530	-	39,051	0.76	296.24

* Calculation made using population and personal income figures from Demographics and Economic Statistics Table.

Source: County records

Black Hawk County, Iowa

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding		Percentage Actual Taxable Value of Property	Per Capita*
	General Obligation Bonds	Total		
2004	\$ 12,237	\$ 12,237	0.38	\$ 97.17
2005	10,375	10,375	0.30	82.27
2006	10,970	10,970	0.29	87.14
2007	11,605	11,605	0.29	92.03
2008	22,550	22,550	0.56	176.94
2009	23,170	23,170	0.53	180.53
2010	27,615	27,615	0.60	213.61
2011	43,395	43,395	0.92	331.03
2012	40,135	40,135	0.82	305.10
2013	39,020	39,020	0.74	296.01

* Calculated using population figure from Demographics and Economic Statistics Table.

Source: County records

Black Hawk County, Iowa

Direct and Overlapping Governmental Activities Debt As of June 30, 2013 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County direct debt	\$ 39,020,000	100.00%	\$ 39,020,000
City debt:			
Cedar Falls	13,205,000	100.00	13,205,000
Dunkerton	1,245,000	100.00	1,245,000
Elk Run Heights	-	100.00	-
Evansdale	1,980,000	100.00	1,980,000
Gilbertville	1,305,000	100.00	1,305,000
Hudson	5,455,000	100.00	5,455,000
Janesville	-	19.85	-
Jesup	2,835,000	6.52	184,842
LaPorte City	3,665,000	100.00	3,665,000
Raymond	680,000	100.00	680,000
Waterloo	67,702,267	100.00	67,702,267
Subtotal, City debt			95,422,109
School district debt:			
Cedar Falls	-	100.00	-
Denver	4,790,000	21.30	1,020,270
Dike-New Hartford	4,085,000	5.08	207,518
Dunkerton	1,775,000	99.39	1,764,173
Gladbrook-Reinbeck	-	7.74	-
Hudson	185,366	100.00	185,366
Janesville	-	49.32	-
Jesup	3,065,000	28.94	887,011
Union (LaPorte City/Dysart)	-	41.86	-
Vinton-Shellsburg	10,975,000	0.04	4,390
Wapsie Valley	9,175,000	5.31	487,193
Waterloo	-	100.00	-
Waverly-Shellrock	17,200,000	0.12	20,640
Subtotal, school district debt			4,576,560
College, Hawkeye Community College	4,770,000	59.47	2,836,719
Total overlapping debt			102,835,388
Total direct and overlapping debt			\$ 141,855,388

Source: Cities and school districts within Black Hawk County

* The overlapping debt percentage is arrived at by first calculating the amount of valuation that exists for each city or school district that is partially or wholly within the County. This is determined by the County Assessor's Office. That valuation figure is then divided by the total for the entire city or school district to determine the percentage that lies within the County. That percentage is then used proportionately to determine the amount of overlapping debt.

Black Hawk County, Iowa

Legal Debt Margin Information

As of June 30, 2013

(dollars in thousands)

(Unaudited)

	2004	2005	2006	2007
Debt limit	\$ 170,247	\$ 183,854	\$ 185,562	\$ 183,249
Total net debt applicable to limit	13,355	12,993	13,521	13,758
Legal debt margin	\$ 156,892	\$ 170,861	\$ 172,041	\$ 169,491
Total net debt applicable to the limit as a percentage of debt limit	8.51%	7.60%	7.86%	8.12%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value \$ 5,275,070,654

Debt limit (5% of assessed value) 263,753,533

Debt applicable to limit:

General obligation bonds 37,780,000

General obligation capital loan notes 1,240,000

Total net applicable to limit 39,020,000

Legal debt margin \$ 224,733,533

	2008		2009		2010		2011		2012		2013
\$	200,498	\$	217,618	\$	228,340	\$	234,802	\$	243,568	\$	263,753,533
	24,475		24,018		28,173		43,815		41,790		39,020,000
\$	176,023	\$	193,600	\$	200,167	\$	190,987	\$	201,778	\$	224,733,533
	13.90%		12.41%		14.07%		22.94%		20.71%		17.36%

Black Hawk County, Iowa

Demographic and Economic Statistics Last Ten Calendar Years (Unaudited)

Year	Population ⁵	Personal Income (000s) ¹	Per Capita Personal Income ¹	Farm Proprietors ³	School Enrollment ⁴	Unemployment Rate ²
2003	125,936	\$ 3,467,136	\$ 27,531	940	17,404	4.6
2004	125,707	3,752,691	29,853	940	17,437	5.0
2005	125,891	3,878,324	30,807	930	16,920	4.7
2006	126,106	4,014,054	31,528	930	16,431	4.2
2007	127,446	4,194,885	32,915	930	16,334	4.4
2008	128,040	4,500,196	35,147	940	17,042	4.5
2009	129,276	4,582,209	35,445	960	17,219	5.5
2010	131,090	4,772,869	36,409	960	17,277	5.9
2011	131,549	4,927,973	37,461	960	18,056	5.5
2012 *	131,820	5,106,005	38,735	960	18,219	4.9

¹ Source: Bureau of Economic Analysis, U.S. Dept of Commerce

² Source: Iowa Workforce Development website

³ Source: USDA National Agricultural Statistics Service

⁴ Source: School districts in Black Hawk County

⁵ Source: Estimate from U.S. Census Bureau website

* Per capita income was calculated by taking the 2011 figure and multiplying it by the State of Iowa average increase

* Personal Income was calculated by multiplying per capita income by the population to arrive at total personal income

Black Hawk County, Iowa

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2004			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
John Deere	4,625	1	6.52%	6,000	1	8.45%
Wheaton Franciscan Healthcare	3,005	2	4.24	2,691	2	3.79
University of Northern Iowa	2,173	3	3.06	1,811	5	2.55
Tyson Fresh Meats (IBP Inc.)	2,000	4	2.82	2,600	3	3.66
Waterloo Public Schools	1,800	5	2.54	1,786	6	2.52
Allen Memorial Hospital	1,605	6	2.26	1,908	4	2.69
Bertch Cabinet Manufacturing Co.	1,478	7	2.08	-	-	-
Omega Cabinets	1,155	8	1.63	1,000	9	1.41
Hy-Vee	982	9	1.39	1,071	8	1.51
GMAC Mortgage	922	10	1.30	875	10	1.23
Area 267 Education Agency	-	-	-	1,137	7	1.60
Target Distribution	-	-	-	-	-	-

Sources: Greater Cedar Valley Alliance, Iowa Workforce and Speer Financial, Inc.

Black Hawk County, Iowa

**Full-Time Equivalent County Government Employees by Function /Program
Last Ten Fiscal Years
(Unaudited)**

Function / Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety and legal services:										
Sheriff	137.00	133.90	133.00	134.00	132.00	132.00	134.00	134.00	134.00	134.00
Attorney	28.50	28.50	28.90	28.10	28.90	28.80	29.80	29.80	30.80	30.80
Consolidated comm ctr	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
District court administration**	1.00	1.00	1.00	-	-	-	-	-	-	-
Child support recovery*	12.50	11.50	8.50	-	-	-	-	-	-	-
Physical health and social services:										
Health department	93.15	95.25	88.23	89.93	90.43	88.22	89.81	86.15	93.00	93.00
Community services**	6.00	2.50	2.50	11.00	9.00	9.00	9.00	8.00	8.00	9.00
Youth shelter	10.90	10.00	9.80	11.50	8.80	10.50	11.29	12.84	13.30	10.60
Veteran affairs	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03
Mental health:										
Country View	191.00	190.00	189.50	190.50	190.50	171.00	181.50	184.00	180.50	184.60
C.P.C.**	5.00	5.50	5.50	-	-	-	-	-	-	-
County environment and education,										
Conservation	25.57	25.56	25.54	28.14	28.84	27.26	26.85	26.29	27.29	26.63
Roads and transportation, engineer	43.40	43.40	43.40	43.40	43.40	43.80	43.90	43.90	44.30	44.30
Governmental services to residents:										
Treasurer	13.00	13.00	13.00	12.50	12.50	12.50	12.50	10.50	10.50	11.50
Recorder	11.00	11.00	11.00	11.00	11.00	10.00	10.00	9.00	9.00	9.00
Auditor; elections	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.60	3.50	3.30
Administration:										
Board office	7.00	7.00	8.00	8.00	7.50	7.50	7.50	7.50	7.50	8.00
Auditor	16.60	16.60	13.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00
Treasurer	11.00	11.00	10.10	10.60	10.60	10.60	10.50	9.00	8.50	7.50
Human resources	4.20	4.20	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.10
Information technology	8.00	8.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Maintenance	21.80	8.00	7.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Civil service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	681.05	660.34	643.67	643.10	635.90	613.61	630.08	622.61	628.22	630.36

Note: All figures are from March budget certification for each fiscal year.

Source: Black Hawk County, Auditor's Office

* Contract for Child Support Recovery not renewed

** District Court Admin and C.P.C. now fall under Community Services

Black Hawk County, Iowa

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year			
	2004	2005	2006	2007
Public safety and legal services:				
Sheriff:				
# of civil papers served	15,930	17,042	17,700	16,590
# of arrests made	2,863	2,914	3,148	3,035
# of jail bookings	8,720	8,349	8,093	8,533
# of service calls	9,829	10,785	12,784	9,405
Attorney, # of felonies/aggravated fieldcases filed	2,006	1,989	2,161	1,949
Physical health and social services:				
Health Department:				
# of Success Street visits	2,875	3,738	2,901	2,719
# of environmental inspections	3,270	2,432	2,621	2,442
# of home care aide visits	24,363	22,544	21,707	19,556
# of home care aide clients	430	358	300	223
Community Services, # of people seen	3,591	1,948	2,258	2,566
Youth Shelter, # of kids per year	335	206	148	98
Veteran Affairs, # of new clients per year	244	226	256	260
Mental health:				
Country View, census per year	52,924	50,874	53,335	51,790
C.P.C., # of people seen	3,615	3,852	5,503	3,730
County environment and education conservation:				
Hartman Reserve visitors	55,000	55,000	55,000	55,000
Campers	28,615	30,663	30,890	37,910
Roads and transportation:				
Engineer:				
# of miles of road paved	2	10	11	5
# of bridges/culverts repaired/replaced	10	11	14	17
Governmental services to residents:				
Treasurer, titles issued	38,600	38,342	38,050	37,150
Recorder, documents recorded	37,981	30,800	30,952	32,158
Auditor: Elections:				
# of active voters	79,141	78,447	77,058	77,058
# of inactive voters	9,750	4,274	5,073	5,073
# of absentee ballots	22,562	1,358	11,002	11,002
Administration, maintenance, sq. ft maintained	353,980	353,980	353,980	353,980

Source: County records

Note: Indicators are not available for some departments due to their function.

* Information not available.

Fiscal Year					
2008	2009	2010	2011	2012	2013
17,971	20,043	19,507	19,905	18,162	*
3,358	3,384	4,449	4,337	4,130	*
8,621	9,157	9,558	9,153	9,244	*
11,945	14,463	14,583	14,047	15,328	*
2,084	1,691	1,716	1,947	1,445	1,458
3,486	3,968	4,031	3,427	3,302	3,277
2,572	2,810	2,600	3,202	2,605	3,326
18,323	15,801	15,122	13,305	10,692	9,969
231	194	188	206	157	149
2,080	2,077	3,057	3,298	3,319	2,992
152	143	161	173	190	*
284	305	309	258	277	440
52,008	56,285	55,382	56,839	57,982	57,881
2,869	2,985	3,250	3,384	3,422	3,512
55,900	56,200	53,290	51,112	51,865	50,827
42,999	41,938	47,333	40,588	43,877	37,477
7	17	24	9	22	20
17	8	7	12	9	13
39,731	41,506	41,447	42,704	42,842	40,814
26,345	25,841	24,771	24,554	24,859	27,396
77,058	86,891	81,464	81,715	78,448	81,066
5,073	5,323	5,934	6,516	5,669	5,784
11,002	23,999	947	15,844	1,501	31,944
353,980	444,393	444,393	444,393	458,633	458,633

Black Hawk County, Iowa

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety and legal services:										
Sheriff										
# of patrol cars	18	18	18	18	18	19	19	21	21	24
Physical health and social services:										
Health Department										
# of vehicles	18	18	18	17	17	17	17	17	18	19
County environment and education:										
Conservation										
# of acres managed	8,055	8,055	8,053	7,990	8,175	8,325	8,325	8,387	8,613	8,776
Roads and transportation:										
Engineer:										
# of vehicles	71	73	73	74	74	75	74	76	76	78
# of buildings	14	15	15	15	15	16	15	15	15	15
Administration:										
Maintenance										
# of buildings maintained	4	4	4	4	4	6	6	6	9	9

Source: All statistics from various Black Hawk County, Iowa departments.

Note: Numerous departments do not have capital specific to their area and have, therefore, been eliminated from this exhibit.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through the Iowa Department of Public Health:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5882NU58	\$ 4,886
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5883NU58	31,112
			<u>35,998</u>
Passed through the Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	54,577
			<u>90,575</u>
U.S. Department of Housing and Urban Development:			
Passed through the Iowa Department of Human Services:			
Lead Hazard Reduction Demonstration Grant Program	14.905	IALHB0498-11	22,364
			<u>22,364</u>
Passed through the Iowa Department of Economic Development:			
Community Development Block Grants/States Program			
Jumpstart Business Rental Assistance	14.228	08-DRB-206	830,700
Jumpstart Residential	14.228	08-DRH-001	47,925
Jumpstart Residential	14.228	08-DRH-201	728,857
Hazard Mitigation (Flood Buyout)	14.228	08-DRMH-027	274
Hazard Mitigation (McFarlane Bridge)	14.228	08-DRIEF-262	2,749,663
			<u>4,357,419</u>
U.S. Department of Justice:			
Passed through the Governor's Office of Drug Control Policy: and the City of Waterloo			
Project Safe Neighborhoods	16.609	10-PSN-6842	11,318
Project Safe Neighborhoods	16.609	11-PSN-ND11	7,768
			<u>19,086</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0182	9,962
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2462	5,015
Edward Byrne Memorial Justice Assistance Grant Program-ARRA	16.803	10JAG/ARRA-42075	90,915
Edward Byrne Memorial Justice Assistance Grant Program-ARRA	16.804	2009-SB-B9-2347	10,844
			<u>116,736</u>
Passed through the Iowa Department of Justice:			
Crime Victim Assistance	16.575	VA-13-76A	34,937
Federal Violence Against Women Formula Grants	16.588	VW-13-76A	26,610
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0606	21,964
Mehtamphetamine Drug Hot Spots Grant	16.710	10-Hotspots-Interdiction-14	13,978
U.S. Department of Transportation:			
Passed through Iowa Department of Public Safety- Governor's Traffic Safety Division:			
State and Community Highway Safety	20.601	PAP 012-410 TASK 05	2,782
	20.601	PAP 013-410 TASK 04	14,851
			<u>17,633</u>
Passed through the Iowa Department of Public Health:			
Highway Planning and Construction Grant	20.205	5883OB02	\$ 9,000

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency: Passed through the Iowa Department of Public Health: State Indoor Radon Grants	66.032	MOU-2013-RC01	\$ 2,000
U.S. Department of Health and Human Services: Passed through the Iowa Department of Public Health: Public Health Emergency Preparedness	93.069	5883BT07	78,490
Public Health Emergency Preparedness	93.069	5882BT07	169
			<u>78,659</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2013-TB01	10,675
Childhood Lead Poisoning Prevention Projects	93.070	5883LP01	5,060
Immunization Grants	93.268	5882I406	25,612
Immunization Grants	93.268	5883I406	23,264
			<u>48,876</u>
Centers for Disease Control and Prevention Technical Assistance	93.283	MOU-2013-ELC01	560
Centers for Disease Control and Prevention Technical Assistance	93.283	MOU-2014-ELC01	70
Centers for Disease Control and Prevention Technical Assistance	93.283	5883CRC10	6,550
Centers for Disease Control and Prevention Technical Assistance	93.283	5883NB02	45,121
			<u>52,301</u>
Temporary Assistance for Needy Families	93.558	DCAT2-13-106	79,999
HIV Prevention Activities- Health Department Based	93.940	5882AP03	16,312
HIV Prevention Activities- Health Department Based	93.940	5883AP03	14,182
			<u>30,494</u>
Maternal and Child Health Services Block Grant to the States	93.994	5883DH01	12,200
Maternal and Child Health Services Block Grant to the States	93.994	5882MH03	35,116
Maternal and Child Health Services Block Grant to the States	93.994	5883MH03	44,260
			<u>91,576</u>
Passed through the Iowa Department of Human Services: Community Transformation Grant	93.531	5882HP01	39,446
Community Transformation Grant	93.531	5883HP01	52,515
			<u>\$ 91,961</u>

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Identifying Number	Federal Expenditures
Human Services Administrative Reimbursements:			
Medical Assistance Program	93.778	N/A	\$ 54,217
State Children's Insurance Program	93.767	N/A	208
Foster Care - Title IV-E	93.658	N/A	18,897
Refugee and Entrant Assistance	93.566	N/A	239
Adoption Assistance	93.659	N/A	5,295
Child Care Development Fund	93.596	N/A	12,679
Social Services Block Grant	93.667	N/A	16,294
			<u>107,829</u>
U.S. Department of Homeland Security:			
Passed through Iowa Department of Economic Development:			
Hazard Mitigation Grant	97.039	HMGP-DR-1763-160-01	<u>92,123</u>
			<u>92,123</u>
Passed through Iowa Disaster Services Division:			
Emergency Management Performance Grants	97.042	FY 13 EMPG	<u>39,253</u>
			<u>39,253</u>
Passed through the Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance	97.036	FEMA 1763 DR IA	<u>224,477</u>
			<u>224,477</u>
Total expenditures of federal awards			\$ 5,685,585

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)
Year Ended June 30, 2013

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Black Hawk County for the year ended June 30, 2013. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Significant Accounting Policies

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3 - Subrecipients

Of the federal expenditures presented in the schedule, Black Hawk County provided federal awards to subrecipients as follows:

Jumpstart (CDBG)	14.228	\$ 1,607,482
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COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any significant deficiencies in internal control over major programs.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) The County of Black Hawk, Iowa, did not qualify as a low-risk auditee.
- (i) The major program identified on the Schedule of Expenditures of Federal Awards include:

<u>CFDA #</u>	<u>Program Name</u>
14.228	Community Development Block Grants/States Program

Part II: Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards-

Instances of Non-compliance:

No matters were reported. There were no prior year audit findings.

MATERIAL WEAKNESS:

II-A-13: Financial Reporting

Observation – During the audit, we identified material amounts of receivables and payables not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables and payables are identified and included in the County's financial statements.

Response – We will double check these in the future to avoid missing any receivables and payables transactions.

Conclusion – Response accepted

Part III: Findings Related to Federal Expenditures

Instances of Non-Compliance:

None Noted

Significant Deficiencies:

None Noted.

COUNTY OF BLACK HAWK, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Part IV: Other Findings Related to Required Statutory Reporting

IV-A-13 Certified Budget – Disbursements for the year ended June 30, 2013, exceeded the amounts budgeted in the County's debt service function.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – We will amend the budget when required and appropriations will be watched more closely by the departments.

Conclusion – Response accepted.

IV-B-13 Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-13 Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-13 Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2013.

IV-E-13 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.

IV-F-13 Board Minutes – No transactions were found that we believe should have been approved in the Board Minutes but were not.

IV-G-13 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2013 for the County Extension Office did not exceed the amount budgeted.

IV-H-13 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-I-13 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Supervisors
Black Hawk County, Iowa:

Report on Compliance for Each Major Federal Program:

We have audited compliance of Black Hawk County, Iowa (the County) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Black Hawk County, Iowa's major federal programs are identified in Part I of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 20, 2013



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Black Hawk County, Iowa

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information of Black Hawk County, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Black Hawk County, Iowa's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Black Hawk County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the Black Hawk County, Iowa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item II-A-13 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Black Hawk County, Iowa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Black Hawk County, Iowa's Response to Findings

Black Hawk County, Iowa's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Black Hawk County, Iowa's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Black Hawk County during the course of our audit. Should you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
December 20, 2013